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The Forbes Index

A quiet recession? Corporate earnings are still strong, but the overall economy seems to be in the midst of a slight downturn. The preliminary Forbes Index for September is down again, off 0.1%. That puts the Index down in five out of the first nine months of 1989. New housing starts, 110,000 in September, are 16% below the September 1988 figure. New unemployment claims edged up 1.2% from August. Prices, meanwhile, are seesawing. Following no change in both July and August, the latest producer price index was up 0.9% in September. But at the retail level, the Consumer Price Index was up a more modest 0.3%. The immediate outlook remains hazy.

Other key rates	Source	Status
Prime rate	Chase Manhattan Bank	10.5%
Auto sales[1] year to date vs. 1988	Ward's Automotive	-3.0%
Index of leading indicators August vs. July	Dept. of Commerce	0.3%
Trade balance last 12 months	Dept. of Commerce	-$112 bil
Producer price index[2] September vs. 1988	Dept. of Labor	4.5%
GNP 2nd quarter vs. 1st—annualized growth	Dept. of Commerce	2.5%

[1]U.S. based manufacturers only as of 10/10/89. [2]Finished goods.

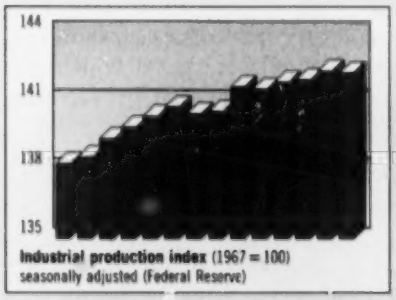
Index Components

The Forbes Index is a measure of U.S. economic activity composed of 8 equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, new housing starts, total retail sales, the level of new orders for durable goods compared with manufacturers' inventories, personal income, total consumer installment credit.

To measure these 8 elements, FORBES monitors 10 series of U.S. government data. The last 14 months' data for each series are presented below.

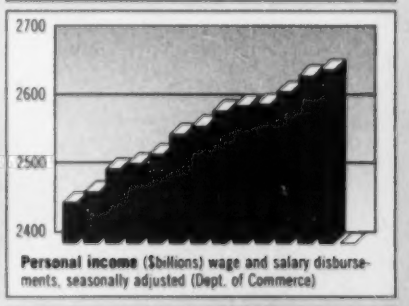
Consumer price indexes (1982-84 average = 100) all urban consumers, unadjusted (Dept. of Labor)

Manufacturers' new orders and inventories ($billions) seasonally adjusted (Dept. of Commerce)



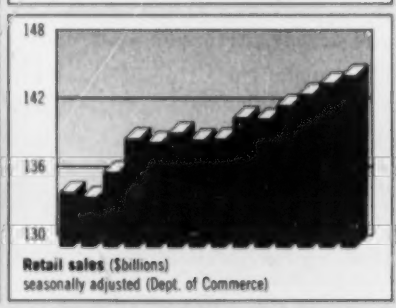
Industrial production index (1967 = 100) seasonally adjusted (Federal Reserve)

New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)

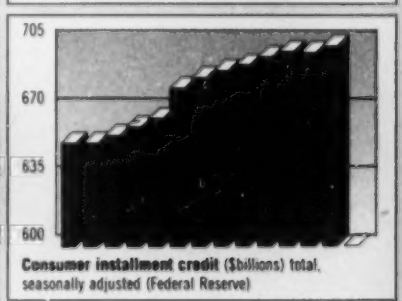


Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)

New unemployment claims average for month (thousands) seasonally adjusted (Dept. of Labor)



Retail sales ($billions) seasonally adjusted (Dept. of Commerce)



Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Several companies from our Up & Comers class of 1979 have matured beautifully. Others have gone bust.

How to tell an eagle from an Icarus

By Fleming Meeks, Steven Ramos and Christopher Palmeri

IF THE WORLD of America's small businesses were an aviary, colleges of owls and a handful of eagles would gaze down from the upper perches onto flocks of sparrows and turkeys. Below them would be a lot of dead birds including (to mix the metaphor slightly) a number of Icaruses: creatures who soared briefly, and then crashed and burned.

A great deal can happen to a small company in ten years, especially the last ten. Inflation, high interest rates and new technologies have wiped out thousands of once high-flying companies whose managements failed to adapt quickly enough to change.

How have our Up & Comers made out over the years? To find out, we've taken the top 100 companies from the Up & Comers class of 1979, the first year we published such a list *(Nov. 12, 1979)*. The good news: An investment of $10,000 in each of those 100 companies—$1 million in all—in 1979 would be worth $4.8 million today, a compound annual rate of 17%. The same amount invested in the Standard & Poor's 500 would be worth $3.2 million.

Not that all 100 were eagles. Over half were turkeys and worse. Of the 100, 20 are worth less today, including 4 that filed for Chapter 11 or liquidated. Another 34 underperformed the S&P. But the other 46 more than made up for the losers.

The biggest winner was Miami-based Key Pharmaceuticals, which topped our list in 1979 and which was merged into Schering-Plough Corp. in 1986: A $10,000 investment in Key in 1979 would now be worth almost $540,000. (With Key and others that merged for stock, we have assumed in the table below that investors retained the new parent's stock; in cash deals, we assume the cash was reinvested in the S&P 500.)

Another big winner was Neutrogena Corp., the Los Angeles-based specialty soap and shampoo company; a $10,000 investment in its stock would now be worth $286,000.

And the Icaruses? Kratos, a manufacturer of precision instruments based in La Jolla, Calif., had grown steadily throughout the Seventies through acquisition but bit off more than it could chew in 1982 when it borrowed $65 million to buy Keuffel & Esser, a maker of drafting equipment. The acquisition took Kratos from being almost debt-free to having a debt-to-equity ratio of nearly 4-to-1. Readers may remember our story "Betting the company" *(Mar. 1, 1982)* about the acquisition. It was a bad bet. Kratos cratered and was liquidated four years later.

Another member of the class, CPT Corp. of Eden Prairie, Minn., is still hanging on as an independent public company. But just barely. Its stock has fallen from a split-adjusted $9 a share in 1979 to about 50 cents. Ten years ago CPT was the number three manufacturer of word processors (after IBM and Wang), a bad place to be on the eve of the introduction of personal computers. In 1983 the company shifted its focus from word processors to computer workstations—another highly competitive market where it has failed to make a significant dent. And in 1988 CPT jumped into the already crowded market for image processors, which transfer documents into digital images. Says an optimistic CPT spokesman: "You'll be hearing a lot more from us." But don't count on

Class of 1979 revisited

The past decade was a tough but rewarding one for many of the top 100 companies on our 1979 list of Up & Comers. While only 46 outperformed the S&P 500 over that ten-year period, the group as a whole outperformed the market by 73%.

Company	Value of $10,000 invested 11/30/79	Status
Key Pharmaceuticals	$539,418	Merged with Schering-Plough 1986
Neutrogena	286,172	Traded o-t-c
Valleylab	146,667	Merged with Pfizer 1983
Intermec[1]	139,130	Traded o-t-c
Delhi Intl Oil	128,529	Acquired by CSR Ltd 1981
O'Sullivan	127,872	Traded Amex
Applied Data Research	126,169	Acquired by American Info Tech 1986
Physio-Control	116,047	Merged with Eli Lilly 1980
Continuous Curve CL	111,474	Merged with Revlon 1980
Versa Technologies	110,457	Traded o-t-c

[1]Formerly Interface Mechanisms.

The 200 Best Small Companies In America

Company	Value of $10,000 invested 11/30/79	Status
Eldon Inds	$109,668	Traded NYSE
Thetford	102,344	Acquired by Dyson Kissner Moran 1988
Quotron Systems	97,446	Acquired by Q Acquisition (Citicorp) 1986
Charming Shoppes	90,329	Traded o-t-c
SafeCard Services	88,551	Traded o-t-c
Great Lakes Chemicals	85,419	Traded NYSE
AT Cross Cl A	83,881	Traded Amex
Sealed Air	83,778	Traded NYSE
FlightSafety Intl	81,887	Traded NYSE
Plenum Publishing	75,226	Traded o-t-c
Pic 'n' Save	74,375	Traded o-t-c
Genl Semiconductor	73,765	Merged with Square D 1981
Molex	65,417	Traded o-t-c
Amer Appraisal Assoc	64,470	Acquired by RLM Investments 1984
Belco Pollution Control	61,739	Merged with Foster Wheeler 1979
Pepcom Inds	61,182	Acquired by Suntory Bottling 1980
ChemLawn	57,503	Acquired by Ecolab 1987
Luby's Cafeterias[2]	56,877	Traded NYSE
Magma Power	55,408	Acquired by Natomas 1982
Scripps Howard Broadcast	53,333	Traded o-t-c
Mitz	52,492	Acquired by Emhart 1985
Gray Communications	51,724	Limited trading
Alico	46,780	Traded o-t-c
Redken Labs	45,585	Acquired by RLI Acquisition 1988
Lawson Products	45,563	Traded o-t-c
Hickory Farms Ohio	44,528	Acquired by General Host 1980
Pic'n' Pay Stores	39,378	Acquired by CWB 1980
Dranetz Technologies[3]	39,249	Acquired by Hawker Siddeley Group 1988
Dual-Lite	37,300	Acquired by Insilco 1987
Atlantic Oil	36,758	Acquired by Atlantic Acq (Stephens) 1983
Security Amer Life	36,725	Acquired by USLIFE 1980
Impell	35,890	Merged with Combustion Engineering 1984
Cedar Point	35,496	Acquired by Cedar Fair Ltd 1983
Applied Digital Data	35,387	Acquired by NCR 1980
Amer Income Life Ins	34,760	Acquired by Trust Life Ins 1989
Carboline	32,630	Acquired by Sun Co 1980
Automated Mktg Sys	31,503	Acquired by Newams 1982
Rollins Burdick Hunter	29,188	Acquired by Combined Intl Corp 1982
CACI Intl Cl A	28,420	Traded o-t-c
WD-40	28,265	Traded o-t-c
Woods Petroleum	27,529	Merged with Sunshine Mining 1985
Aydin	26,851	Traded NYSE
Gr Northern Iron Ore	26,818	Traded NYSE
Josephson Intl[4]	26,669	Acquired by LingPei 1988
Pacesetter	26,457	Taken private by management 1984

[2]Formerly Cafeterias. [3]Formerly Dranetz Engineering Labs. [4]Formerly Marvin Josephson Assn.

good news. In fiscal 1989 CPT lost over $25 million on revenues of around $63 million.

A closer look at 1979's top 100 reveals some lessons. For one thing, major events happen rapidly for small companies. As in the Kratos case, constant monitoring is essential. Small companies don't receive as much coverage as larger ones, in most cases. (Over the past ten years, FORBES has written stories on some three dozen of 1979's top 100 companies, many of them two and three times.)

The winning group from 1979 were the 15 companies that could be placed under the heading of niche companies. These were WD-40 Co., manufacturer and marketer of the aerosol lubricant of the same name; ChemLawn Corp., the lawn care firm acquired by Ecolab Inc. in 1987; Quotron Systems Inc., the financial information company acquired by Citicorp in 1986; A.T. Cross Co., maker of fine writing instruments; Plenum Publishing Corp., publisher of technical books and journals; Pic 'n' Save Corp., a retailer of closeout merchandise; FlightSafety International Inc., the pilot training firm *(see story, p. 198)*; Brenco Inc., a manufacturer of bearings for railroad freight cars; O'Sullivan Corp., manufacturer of rubber heels and soles, as well as specialty plastics; Kroy Industries, manufacturer of lettering systems, taken private in 1986; SafeCard Services Inc., which provides services to credit card holders; Redken Laboratories Inc., manufacturer and marketer of specialty shampoos and cosmetics, taken private by management last year; Neutrogena Corp.; Interface Mechanisms (now Intermec Corp.), an early manufacturer of bar-coding equipment; and Continuous Curve Contact Lens, an early manufacturer of soft contact lenses, merged with Revlon in 1980.

Had an investor spread out his or her $1 million equally over these 15 niche companies in 1979, he or she would now own a portfolio worth nearly $9 million.

Our little survey suggests that investors should use extreme caution when looking at Up & Comers that are part of a hot group. Over the past decade, the stock groups that looked promising for small companies in 1979—energy, say, or computer services—have generally underperformed the market since then. The 12 energy-related companies on 1979's list underperformed the S&P by 25%;

The 200 Best Small Companies In America

Company	Value of $10,000 invested 11/30/79	Status
Showboat	$25,796	Traded NYSE
Keystone Intl	25,336	Traded on NYSE
Waters Associates	25,053	Merged with Millipore 1980
Ingredient Technology	24,835	Acquired by Crompton & Knowles 1988
Omnicom[5]	24,125	Merged into BBDO 1986
Gulf Energy & Dev	23,567	Acquired by Penn Central 1983
CLARCOR[6]	22,544	Traded o-t-c
Kroy[7]	21,332	Acquired by Kappa Acquisition 1986
Plantronics	20,330	Acquired by PI Acquisition 1988
Comshare	20,290	Traded o-t-c
Manufacturing Data Sys	19,659	Merged with Schlumberger 1981
Shared Medical Sys	19,077	Traded o-t-c
Western Marine Electron	18,799	Taken private by management 1985
Profit Systems[8]	18,621	Traded o-t-c
Kennington Ltd	17,180	Acquired by C&T Acquisition 1987
Spectrum Control	16,875	Traded o-t-c
Dynatech	14,795	Traded o-t-c
COMNET[9]	14,545	Traded o-t-c
Trico Inds	14,294	Acquired by PACCAR 1987
Dome Mines Ltd	14,235	Merged with Place Dome 1987
Health-Mor	12,698	Traded Amex
McRea Consol O&G	12,144	Acquired by Lear Petroleum 1983
T-Bar	11,946	Acquired by Data Switch 1987
Statesman Group	11,790	Traded Amex
Guaranty Natl	11,407	Acquired by Orion Capital 1988
Golden West Homes	9,894	Acquired by Golden Acquisition 1986
Nicolet Instrument	8,474	Traded NYSE
Varco Intl	7,222	Traded NYSE
Augat	7,146	Traded NYSE
Standard Microsystems	5,742	Traded o-t-c
Tucker Drilling	4,799	Traded o-t-c
AlaTenn Resources[10]	4,737	Traded o-t-c
Adage	4,459	Limited trading
Anacomp	4,136	Traded NYSE
Brenco	4,114	Traded o-t-c
Autotrol	3,798	Traded o-t-c
Altair	3,663	Liquidated 1986
Data Terminal Sys	3,194	Acquired by Natl Semiconductor 1983
Semicon	3,030	Limited trading
Aztec Mfg	3,022	Traded o-t-c
Kratos	1,702	Liquidated 1986
CPT	698	Traded o-t-c
Struthers Wells	316	Traded Amex
North American Group[11]	104	Filed Chapter 11 in 1984, trading suspended
Cyclotron	0	Filed Chapter 11 in 1983

[5]Formerly Doyle Dane Bernbach. [6]Formerly JL Clark Mfg. [7]Formerly Kroy Inds. [8]Formerly PBA. [9]Formerly Computer Network. [10]Formerly Alabama Tenn Nat Gas. [11]Formerly Reliable Investors.

the 6 insurers by 51%; the 5 computer services firms by 75%. On the other hand, the 5 media companies on the list outperformed the market by a healthy 64%.

Among the top 200 companies of 1989, the insurance group has 15 entries, up from 11 last year. Similarly, there are a dozen specialty retailers on this year's list, up from 9 last year. And this year's list weighs in with 10 restaurant chains (11 if you count the frozen yogurt franchisor TCBY), at a time when growth in the restaurant industry is turning sluggish (FORBES, *Oct. 30*).

Will the insurers, retailers and restaurateurs of 1989 be like the energy and computer services groups of 1979? Quite possibly.

Overall, in separating the potential eagles from the future turkeys and Icaruses, the odds seem to favor strong little niche companies with proven records. Neutrogena, FlightSafety International, A.T. Cross and Intermec—all members of the class of 1979, and all niche companies—made the Up & Comers list again this year, though FlightSafety International is the only company to have made the list every year since 1979. One should note, however, that these companies generally sell for high multiples of their current earnings: Should their growth falter, so will their share prices.

Other new and returning niche companies on the 1989 list include Intellicall, a five-year-old Carrollton, Tex. manufacturer of private pay telephones, with the largest market share; Calgon Carbon Corp., the Pittsburgh-based processor of activated carbon—used to decolorize corn syrup, purify water and filter gases—with over 30% of the world market; Decatur, Ga.-based John H. Harland Co., the second-largest U.S. check printer (after Deluxe Corp.), with about 25% of the market; Uniforce Temporary Personnel, a New Hyde Park, N.Y.-based franchisor of office temporary services; New York's Tiffany & Co., the jeweler and luxury merchandiser; and Acuson Corp., of Mountain View, Calif., a manufacturer of ultrasound machines used in medicine with a signficant share of the world market.

There is, of course, no guarantee that these ten companies will do as well as the niche companies of the class of 1979. But they're already off to a good start. ■

The small company honor roll

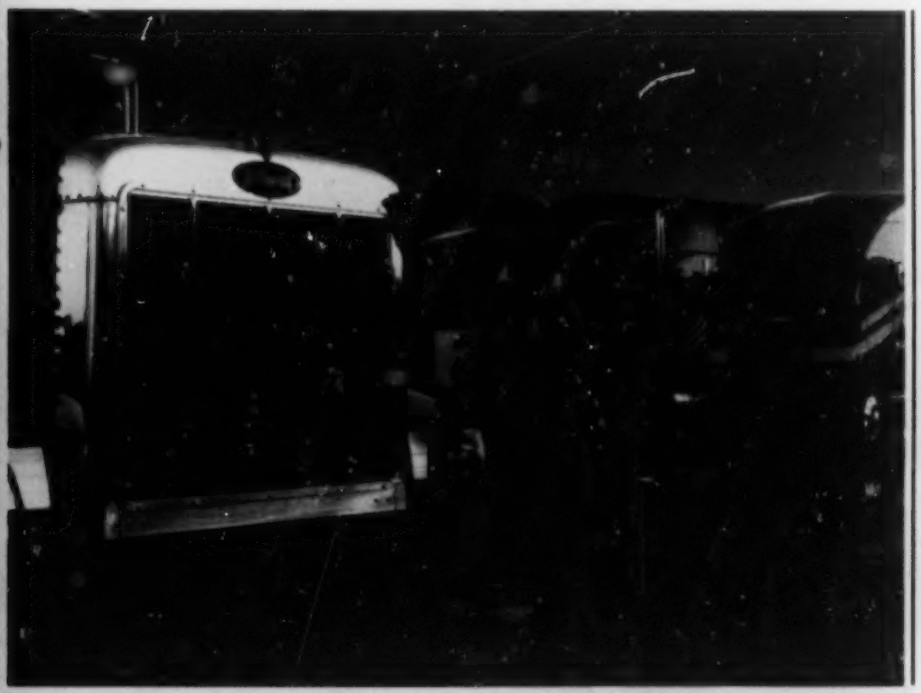
These 15 companies have graced Forbes' 200 best small companies rankings at least 4 out of the last 5 years, and posted some of the 1988 group's better 5-year and latest-12-month returns. A portfolio made by investing $10,000 in each of these stocks in October 1984 would now be worth $752,388, a 38.1% average annual return.

Company	Years on 200 best list*	Return on equity 5-year average	Return on equity latest 12 months	—5-year growth— sales	—5-year growth— earnings	Recent price	Value of $10,000 invested 10/22/84	Chief executive
American Software CL A	5	18.9%	23.2%	76.4%	15.2%	19	$45,592	James C Edenfield
Biomet	4	18.3	23.9	142.3	23.3	27	104,674	Dane A Miller
Clayton Homes	4	18.3	23.0	209.5	16.7	9	21,437	James L Clayton
Deb Shops	4	22.2	23.7	197.7	16.7	17	26,959	Marvin Rounick
Diagnostic Prods	5	19.5	23.9	53.8	13.8	34	80,000	Sigi Ziering
Dress Barn	5	31.4	33.8	249.2	18.9	15	73,171	Elliot S Jaffe
Franklin Resources	6	53.5	49.3	232.4	74.2	39	132,528	Charles B Johnson
Hunt Manufacturing	8	18.8	24.3	196.7	18.4	19	27,467	Ronald J Naples
John H Harland	8	22.2	23.3	339.9	56.9	23	19,221	J William Robinson
Legent Corp	4	22.5	35.2	118.3	21.3	29	83,636	Glen F Chatfield
Luby's Cafeterias	7	19.3	20.2	277.0	29.1	25	11,892	John B Lahourcade
Neutrogena	8	36.4	43.9	196.5	25.9	28	50,173	Lloyd E Cotsen
Pioneer Group	9	27.6	25.3	57.4	14.3	23	14,375	John F Cogan Jr
Systematics	5	21.2	25.1	213.4	19.5	37	24,915	John E Steuri
Tootsie Roll Industries	4	19.6	23.2	158.0	17.9	35	36,347	Melvin J Gordon
Total							$752,388	

*Since 1980.

Sources: William O'Neil & Co; Wilshire Associates

THE MONEY MAKERS: THE ECONOMICS OF CLASS TRUCKS



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How we define "best"

What attributes put a company on FORBES' 200 best small companies list? We begin by looking at some 4,000 publicly traded corporations with sales between $5 million and $350 million. Frank Davis, of Los Angeles' William O'Neil & Co., then screens that list. Surviving that screen is tough. It requires a five-year average annual return on equity greater than 10%; minimum five-year annual earnings and sales growth rates of 8%; debt no greater than equity; no recent earnings or stock market reverses. We then eliminate limited partnerships, real estate investment trusts and companies whose stocks sell for under $5 or have insufficient stock in public hands.

Having thus used quantitative criteria to eliminate a lot of companies that don't belong on any "best" list, we bring in judgmental, nonstatistical criteria—unfavorable current or impending developments, for example.

Not every one of these companies will survive in our churning, dynamic economy, but some of them will go on to greatness, and every one has passed some extremely tough tests.

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
1	■	**J Baker**[1] shoe stores	100%*	24.5%	39%	$300.5	$9.2	53%	21	$168.3	$1.10	18.8	$1.48	$4.58
2	■	**Allwaste** pollution control eq & svs	77.1	26.5	62	127.2	9.0	18	22	319.2	0.67	33.4	0.80	2.37
3	■	**Golden Valley Microwave**[2] microwave popcorn and breakfast foods	59.1	40.6	154	155.4	16.6	2	34	391.8	1.38	24.4	1.67	3.50
4	■	**Tech-Ops Landauer** radiation monitoring svcs	54.5	53.9	25	25.6	6.1	3	32	134.5	1.44	22.0	1.50	2.67
5	4	**Franklin Resources** fund management	53.5	49.3	74	232.4	74.2	2	39	1013.9	2.84	13.7	2.93	5.77
6	3	**Quiksilver** casual sportswear	52.7	42.6	114	66.2	6.1	0	22	133.1	0.98	22.6	0.99	2.38
7	■	**Colonial Group Cl A** fund management	50.9	27.4	15	73.0	10.0	46	13	104.5	1.25	10.6	1.45	4.60
8	■	**One Price Clothing Store** discount apparel stores	47.4	37.0	73	76.4	4.5	0	14	89.0	0.68	20.2	0.74	1.87
9	9	**Intl Dairy Queen Cl A**[3] fast-food restaurants	42.8	38.8	29	252.0	22.4	47	46	435.9	2.38	19.3	2.42	6.09
10	12	**Shorewood Packaging** packaging materials	39.9	33.6	58	132.6	15.8	37	25	327.5	1.21	20.7	1.46	3.58
11	■	**Jan Bell Marketing** jewelry distribution	37.0	47.1	8	133.6	11.0	0	31	589.6	0.62	49.2	0.82	1.21
12	19	**Neutrogena** cosmetics	36.4	43.9	54	196.5	25.9	0	28	728.7	0.96	28.9	1.01	2.24
13	■	**System Software Assocs** software for IBM mainframes	35.7	51.4	63	87.3	10.2	1	26	195.3	1.25	20.4	1.34	2.59
14	16	**T Rowe Price & Assocs** fund management	34.3	38.0	39	149.8	30.2	4	52	373.6	4.10	12.7	3.90	11.05
15	■	**Code Alarm** auto security sys	33.8	24.6	62	26.1	1.6	9	16	32.2	0.74	21.6	1.15	3.22

Stock prices as of Oct. 16. *Figure greater than 100%. [1]At least 5% is held by FMR Corp. (Fidelity). [2]At least 5% is held by IDS Financial Corp. [3]At least 5% is held by Nicholas Co. (combined classes).

Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
16	■	**Tseng Labs** enhanced graphic equip for IBM-compatible PCs	33.6%	99.4%	69%	$32.4	$5.7	7%	5	$85.7	$0.31	15.5	$0.39	$0.32
17	■	**Catalina Lighting** lighting products	33.6	43.7	110	46.4	2.1	3	12	55.7	0.56	21.9	0.67	1.05
18	21	**Group 1 Software** computer software	32.7	60.5	70	18.7	2.9	1	9	38.3	0.69	13.4	NA	1.15
19	■	**Kaydon** bearings, filtration prods	32.7	44.3	36	145.5	22.7	70	33	279.9	2.65	12.5	2.75	5.93
20	■	**BeautiControl Cosmetics** cosmetics	32.2	40.8	25	41.8	4.5	0	18	86.4	0.87	20.1	1.00	2.25
21	■	**Chips & Technologies**[1] semiconductors	32.1	49.7	115	217.6	33.1	4	23	321.2	2.23	10.3	1.70	4.77
22	■	**Hilb Rogal & Hamilton** insurance	32.0	25.9	59	53.9	4.8	92	23	83.3	1.15	19.8	1.23	5.07
23	24	**Dress Barn** women's apparel stores	31.4	33.8	44	249.2	18.9	0	15	334.8	0.85	17.6	1.23	2.51
24	■	**Baldwin Technology Cl A** printing equip	30.1	45.0	39	125.5	9.3	0	20	273.1	0.70	28.2	1.05	1.49
25	23	**Heartland Express** trucking	30.0	30.6	26	42.4	5.5	0	17	86.3	1.11	15.5	1.22	3.62
26	22	**Wellman**[2] plastics recycling	29.9	31.1	32	342.5	46.9	24	37	1067.1	1.61	23.2	1.91	5.29
27	■	**Autodesk**[3] computer-aided design software	28.5	26.9	89	146.4	39.8	0	40	951.2	1.65	24.0	1.87	6.15
28	■	**Plains Petroleum** oil & gas explor, production	28.3	33.5	37	40.0	11.5	29	33	309.9	1.21	27.1	1.57	3.62
29	■	**Lindsay Manufacturing** agricultural irrigation sys	28.0	84.6	126	94.9	6.8	0	22	45.5	3.27	6.7	3.50	3.86
30	■	**Insituform Mid Amer** sewer and pipeline repair	28.0	19.1	27	25.2	1.8	6	7	49.8	0.25	28.0	0.31	1.34
31	28	**Pioneer Group**[4] fund management	27.6	25.3	18	57.4	14.3	2	23	139.9	2.35	9.8	2.37	9.33
32	29	**Calgon Carbon** activated carbon	27.0	26.8	35	249.4	32.3	25	44	881.5	1.60	27.5	1.77	6.01
33	■	**Devcon Intl** heavy construction svcs	26.9	29.5	36	77.3	12.2	14	24	94.2	2.96	8.1	NA	10.56
34	■	**Oshkosh B'Gosh Cl A** children's apparel	26.8	26.2	18	280.4	25.4	6	34	495.9	2.13	16.0	2.12	6.66
35	■	**Sealright** packaging materials	26.5	25.1	33	185.2	13.3	36	32	235.6	1.80	17.8	1.97	7.18
36	■	**Arthur J Gallagher & Co**[5] insurance brokerage	26.3	25.0	15	161.5	16.9	30	23	262.3	1.42	16.2	1.41	5.92
37	■	**Hako Minuteman** vacuums, floor care equip	25.7	18.5	32	30.2	3.0	0	10	37.6	0.83	12.3	0.87	4.48
38	30	**Penn Treaty American** supplemental health insurance	25.4	23.9	24	21.5	3.9	17	15	42.4	1.54	9.9	1.63	5.83

Stock prices as of Oct. 16. [1]At least 5% is held by Loomis, Sayles & Co. [2]At least 5% is held by Narragansett First Fund; Prudential Insurance; Teachers Insurance & Annuity. [3]At least 5% is held by Equitable Life. [4]At least 5% is held by Templeton, Galbraith & Hansberger. [5]At least 5% is held by Nicholas Co.

Source: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
39	33	**American List** student mailing lists	25.3%	26.5%	19%	$6.4	$2.5	0%	15	$41.7	$0.89	16.9	NA	$3.36
40	38	**Fastenal** fasteners, retails bldg materials	25.3	26.4	39	35.6	3.5	6	27	128.1	0.74	36.5	NA	2.80
41	■	**Intellicall** telecommunication equip	25.3	14.2	25	60.7	3.3	1	17	85.1	0.64	26.2	0.77	4.54
42	■	**Mail Boxes Etc** private postal and business svcs	25.0	21.2	43	21.5	2.5	0	28	70.6	1.00	27.8	NA	4.72
43	■	**New Line Cinema** movie production	24.7	20.3	61	70.3	4.5	44	6	37.8	0.71	8.6	NA	3.55
44	■	**Quality Food Centers** supermarkets	24.5	40.3	38	299.9	12.2	33	29	277.9	1.29	22.7	1.20	3.18
45	■	**TCBY Enterprises**[1] frozen yogurt stores	24.4	40.4	85	137.2	28.0	20	26	684.0	1.05	24.6	1.11	2.62
46	■	**Sanford**[2] office & art materials	24.4	32.0	51	127.7	19.8	40	24	357.8	1.32	18.3	1.37	4.17
47	■	**Duty Free Intl** duty free retail stores	24.3	36.2	28	67.9	6.7	20	25	236.9	0.87	28.7	0.98	1.96
48	■	**Preferred Health Care** heath care svcs	24.0	38.4	44	19.2	3.3	0	8	81.9	0.31	26.1	0.36	0.47
49	■	**Nichols Research** svcs for technical military equip	23.5	20.8	30	53.9	2.9	0	9	26.6	0.82	10.4	0.81	4.06
50	67	**AT Cross Cl A** pens, luggage	23.3	26.9	20	243.0	36.7	0	35	586.4	2.20	16.0	2.30	8.16
51	46	**Boston Acoustics** audio speaker systems	23.3	24.1	31	22.0	2.8	0	20	39.4	1.37	14.2	1.60	5.68
52	■	**Crown Crafts** home furnishings	23.2	29.3	76	96.1	6.6	38	20	67.7	1.94	10.4	2.03	6.75
53	■	**Polk Audio**[3] audio speaker systems	23.0	19.8	36	26.7	1.6	0	9	16.1	0.80	11.6	1.10	4.72
54	162	**Swift Energy** oil & gas explor, production	22.9	51.1	76	14.8	5.6	0	10	42.0	1.37	7.5	NA	2.65
55	■	**Presidential Life** insurance	22.7	29.1	66	297.6	47.3	52	18	390.8	2.21	8.3	2.06	7.60
56	■	**Legent Corp**[4] software	22.5	35.2	47	118.3	21.3	0	[illegible]	562.1	1.06	27.1	1.22	3.09
57	■	**Werner Enterprises**[5] trucking	22.5	21.0	25	221.7	17.3	14	20	235.9	1.49	13.6	1.55	7.08
58	■	**Fair Isaac & Co** credit application scoring software	22.4	15.8	24	23.9	2.7	0	7	35.5	0.47	13.8	0.29	3.07
59	60	**John H Harland** check printing	22.2	23.3	18	339.9	56.9	5	23	871.4	1.50	15.4	1.58	6.48
60	■	**Telecredit** credit-authorization svcs	22.2	34.1	50	163.1	25.8	0	36	392.5	2.34	15.4	2.61	6.94
61	■	**Deb Shops** women's apparel stores	22.2	23.7	12	197.7	16.7	3	17	255.2	1.08	15.4	1.13	4.60

Stock prices as of Oct. 16. NA: Not available. [1]At least 5% is held by IDS Financial. [2]At least 5% is held by Strong/Corneliuson Capital; Ariel Capital Management; T Rowe Price Associates. [3]At least 5% is held by Calvert Asset Management. [4]Formed by merger of Duquesne Systems (ranked 115 last year) and Marino Associates (ranked 139 last year). [5]At least 5% is held by Wellington Management Co.

Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
62	■	**Total System Services** financial data processing svcs	22.1%	33.5%	34%	$60.7	$10.5	0%	27	$424.7	$0.66	40.5	$0.72	$1.97
63	■	**Fedders** air conditioners, heat transfer equip	22.0	28.7	36	334.2	21.1	30	14	257.4	1.21	11.6	1.22	4.00
64	89	**Frontier Insurance Group** insurance	22.0	27.0	66	52.9	7.9	0	18	73.5	1.98	9.2	2.13	7.29
65	36	**Expeditors Intl** freight forwarding	22.0	24.0	29	173.0	8.3	5	24	138.8	1.44	16.8	1.57	6.06
66	■	**American Travellers**[1] insurance	21.9	17.2	17	35.6	4.3	0	14	48.0	1.21	11.3	1.43	7.03
67	68	**Liqui-Box** packaging	21.9	30.4	23	95.7	8.4	11	55	125.7	3.64	15.1	NA	12.08
68	■	**Groundwater Tech**[2] water pollution control svs	21.4	16.1	64	101.9	10.0	0	27	212.6	1.25	21.8	1.45	7.93
69	■	**CPI**[3] portrait studios at Sears	21.4	22.1	24	344.0	30.2	0	29	445.7	1.73	16.8	2.10	8.89
70	47	**BHA Group Cl A** aftermarket air pollution cntrl equip	21.3	30.5	29	54.4	3.8	13	22	121.5	0.71	30.3	0.76	2.20
71	101	**Systematics** bank computer services	21.2	25.1	22	213.4	19.5	7	37	403.5	1.73	21.2	2.00	7.05
72	■	**BEI Electronics** defense electronics	21.1	41.8	50	67.1	6.6	14	9	74.5	1.36	6.8	NA	1.96
73	■	**Hipotronics**[4] electrical testing equip	21.0	28.6	30	26.0	3.0	16	15	30.9	1.46	10.4	NA	5.16
74	■	**National Pizza** Pizza Hut franchise	20.8	19.1	19	148.6	10.8	49	17	233.5	0.78	21.8	0.98	4.14
75	75	**Technalysis**[5] computer & technical svcs	20.8	24.0	13	19.4	1.9	0	12	28.6	0.79	15.2	0.83	3.30
76	■	**Mestek** climate-control equip	20.7	22.6	58	178.2	8.6	51	9	63.7	0.91	9.5	1.20	5.18
77	■	**Markel** insurance	20.6	25.7	56	78.8	12.1	52	23	119.4	2.33	9.8	2.44	9.02
78	■	**Atlantic S E Airlines**[6] airline	20.5	25.0	19	158.5	21.3	96	17	201.0	1.73	9.6	2.20	7.05
79	70	**Uniforce Temp Personnel** temporary personnel	20.4	23.3	26	112.6	3.4	0	14	62.2	0.74	18.6	0.85	3.23
80	■	**Wausau Paper Mills** paper & paper products	20.3	28.0	33	317.0	20.9	21	40	218.1	3.81	10.4	NA	13.63
81	■	**Paris Business Forms** business forms	20.1	20.7	32	47.2	2.9	24	9	32.9	0.74	12.5	0.75	3.86
82	■	**Sbarro** Italian restaurants	20.0	21.4	44	131.0	12.3	0	20	272.6	0.92	22.1	1.06	4.29
83	■	**Acuson** ultrasound medical instruments	20.0	32.6	160	200.9	33.2	0	36	813.0	1.40	25.7	1.57	4.51
84	■	**MS Carriers**[7] trucking	19.7	19.6	26	83.4	7.6	20	21	112.4	1.43	14.9	1.55	7.28

Stock prices as of Oct. 16. NA: Not available. [1]At least 5% is held by Templeton Funds; Templeton, Galbraith & Hansberger. [2]At least 5% is held by T Rowe Price Associates. [3]At least 5% is held by Ruane, Cunniff & Co. [4]At least 5% is held by Wellington Management; Vanguard Group; Lazard Frères. [5]At least 5% is held by Wellington Management. [6]At least 5% is held by Templeton, Galbraith & Hansberger. [7]At least 5% is held by Prudential Insurance; Wellington Management.

Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
85	108	**Modern Controls** precision instruments	19.6%	25.2%	20%	$9.2	$1.9	0%	14	$30.0	$0.89	16.0	$0.94	$3.60
86	96	**Tootsie Roll Industries** candy	19.6	23.2	21	158.0	17.9	0	35	325.5	1.89	18.4	2.10	8.24
87	107	**Diagnostic Prods** medical diagnostic kits	19.5	23.9	37	53.8	13.8	0	34	404.2	1.12	30.4	1.23	4.84
88	45	**Aloette Cosmetics** cosmetics	19.4	19.0	11	18.8	3.2	3	12	34.5	1.10	10.7	1.17	5.75
89	84	**McGrath RentCorp** sells and leases modular offices	19.3	21.9	25	36.7	6.3	0	15	60.1	1.51	9.6	1.65	6.89
90	93	**Luby's Cafeterias** cafeteria restaurants	19.3	20.2	12	277.0	29.1	2	25	453.6	1.60	15.5	1.65	7.88
91	■	**Software Publishing** software	19.2	34.8	25	96.7	16.3	0	27	206.6	2.02	13.2	2.09	6.06
92	■	**Cadence Design Systems**[1] computer-aided design	19.1	40.2	41	93.3	20.6	4	20	457.0	0.87	22.4	1.01	2.19
93	■	**St Jude Medical** heart valves	19.0	33.3	76	133.3	43.2	0	44	1010.3	1.82	24.0	2.13	5.62
94	■	**Tiffany & Co** retails jewelry and gifts	18.9	28.1	82	331.7	27.9	0	51	766.4	1.82	27.7	2.09	6.54
95	■	**Hawthorne Financial** savings & loan, insurance	18.9	20.1	34	101.6	14.2	0	34	87.8	5.46	6.2	5.00	27.07
96	122	**American Software Cl A** computer software	18.9	23.2	25	76.4	15.2	0	19	287.5	1.02	18.9	1.43	4.39
97	■	**Technitrol Inc** electronic and mechanical prods	18.8	24.7	16	93.7	7.2	49	41	80.8	3.65	11.2	4.10	14.73
98	118	**Hunt Manufacturing** office supplies	18.8	24.3	22	196.7	18.4	14	19	307.1	1.15	16.6	1.16	4.71
99	125	**Superior Industries Intl**[2] custom auto parts	18.6	23.3	28	242.0	15.5	65	23	180.1	1.96	11.6	1.98	8.14
100	■	**United Gaming** svc and sales of gambling machines	18.6	25.9	39	65.4	5.8	26	12	92.1	0.70	17.0	NA	2.88
101	■	**Escalade**[3] recreational & office equip	18.5	17.3	42	69.4	4.4	16	11	39.5	1.16	9.3	1.21	6.84
102	■	**Ballard Med Prods** disposable medical prods	18.4	41.3	203	18.6	3.7	0	16	75.7	0.70	23.0	0.75	1.90
103	146	**Biomet** medical implant devices	18.3	23.9	51	142.3	23.3	0	27	740.6	0.85	31.5	1.00	3.53
104	■	**Homestead Holding** savings & loan	18.3	12.6	26	23.8	2.1	31	10	11.8	1.79	5.7	NA	14.26
105	120	**Clayton Homes** manufactured housing	18.3	23.0	24	209.5	16.7	74	9	140.9	1.04	8.7	1.20	4.51
106	■	**Intl Recovery** waste management, aviation svcs	18.2	32.2	126	72.4	2.6	38	14	60.7	0.67	21.5	0.80	1.91
107	■	**DH Technology** computer equip	18.2	30.0	27	38.0	4.8	25	11	51.9	0.97	11.3	1.09	3.37

Stock prices as of Oct.16. NA: Not available. [1]At least 5% is held by Invesment Advisors. [2]At least 5% is held by Capital Group, and 5% by Dimensional Fund Advisors. [3]At least 5% is held by Wellington Management Explorer Fund.

Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

Rank this year	Rank last year	Company/business	Return on equity 5-year average	Return on equity latest 12 months	5-year EPS growth rate	Latest 12 mos sales (mil)	Latest 12 mos profits (mil)	Debt/ equity	Recent stock price	Market value (mil)	Latest 12 mos EPS	Latest 12 mos P/E	Est 1989 EPS	Book value/ share
108	■	**Gantos** women's apparel stores	18.2%	21.1%	38%	$206.9	$5.3	97%	29	$149.4	$1.22	24.0	$1.53	$4.95
109	72	**CEM** precision instruments	18.1	21.6	34	15.8	2.5	0	11	48.8	0.53	20.8	0.76	2.55
110	87	**Emcon Associates** environmental consulting svcs	17.9	15.6	63	32.2	3.4	0	24	73.1	1.28	18.9	1.36	7.24
111	112	**FlightSafety Intl** air & marine training	17.9	20.5	16	211.5	56.2	14	44	1489.3	1.66	26.4	1.86	8.07
112	71	**AEP Industries** plastics	17.6	19.0	11	119.8	4.9	8	21	65.3	1.61	12.9	1.80	8.28
113	130	**Ryan's Family Steak House** cafeteria restaurants	17.5	19.0	48	226.8	20.7	9	8	417.9	0.40	20.0	0.42	2.02
114	88	**Arbor Drugs** drugstores	17.5	20.7	23	300.2	9.2	69	20	187.9	0.96	20.6	1.25	4.65
115	114	**Cintas** uniform sales and rentals	17.4	16.5	23	243.6	22.1	28	44	615.2	1.58	27.5	1.91	9.47
116	138	**Medicine Shoppe Intl**[1] franchised pharmacies	17.3	21.8	25	27.2	7.1	0	32	172.4	1.31	24.4	1.37	6.01
117	121	**NYMagic*** maritime insurance	17.3	23.7	35	89.8	18.1	0	20	176.0	2.08	9.7	2.01	8.81
118	124	**Stryker** specialty medical prods	17.2	19.2	23	213.1	18.3	3	19	442.5	0.79	23.7	0.82	3.86
119	85	**Intertrans** freight forwarding	17.1	22.5	30	148.0	4.5	0	15	67.8	0.88	16.9	0.88	4.37
120	41	**XL/Datacomp** sells and leases IBM computers	17.1	25.2	24	273.5	15.2	0	21	232.5	1.29	15.9	1.38	5.31
121	90	**LSI Lighting Systems** outdoor lighting fixtures	17.0	23.3	13	57.4	4.0	13	13	59.1	0.85	15.3	1.22	3.79
122	■	**Dataflex** microcomputer sales and service	17.0	30.7	54	56.0	1.8	8	11	26.2	0.74	14.9	1.00	2.48
123	137	**Thermo Instrument Sys** radiation and pollution instruments	16.9	22.4	29	111.8	10.0	35	18	267.9	0.66	27.7	1.04	3.04
124	■	**Keane** computer svcs	16.8	36.1	44	65.0	3.3	3	18	49.3	1.35	13.2	1.36	3.26
125	■	**Riedel Environ Tech** hazardous waste mgmt svcs	16.8	12.7	57	74.0	2.7	22	15	54.4	0.79	18.8	0.78	5.75
126	■	**Insteel Industries** wire & cable products	16.7	19.7	12	200.8	6.4	71	11	47.9	1.50	7.5	1.40	7.66
127	■	**National Data** electronic payment and financial svcs	16.5	24.2	20	254.2	22.4	14	32	370.5	1.92	16.7	2.17	7.99
128	■	**Stevens Graphics Cl A** printing presses and equip	16.1	21.4	150	109.5	6.6	87	16	124.6	0.90	17.6	1.06	3.95
129	■	**Intervoice** telecommunication equip	15.8	45.8	220	18.5	4.6	0	32	180.1	1.14	28.3	1.34	1.79
130	■	**Buffets** buffet restaurants	15.7	25.0	66	95.5	5.1	5	15	138.3	0.54	27.8	0.64	2.21

Stock prices as of Oct.16. *Formerly New York Marine & General Insurance. [1]At least 5% is held by T. Rowe Price Associates New Horizon fund; Mitchell Hutchins Asset Management; Scudder Stevens & Clark.

Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

The 200 Best Small Companies in America

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131	■	**Harding Associates**[1] hazardous waste consulting svcs	15.7%	22.2%	53%	$57.8	$3.7	1%	17	$74.1	$0.82	20.7	$0.93	$3.82
132	141	**G&K Services** linen rental	15.7	15.4	21	108.8	8.3	6	12	166.4	0.61	20.3	0.87	4.02
133	152	**Watts Industries**[2] valves	15.6	16.0	16	223.9	23.0	45	35	443.2	1.82	19.4	2.53	11.43
134	■	**Midwest Grain Products** flour & grain prods	15.5	18.2	38	152.7	13.2	4	27	175.8	2.09	12.9	2.80	11.13
135	■	**Pioneer Financial**[3] savings & loan	15.5	51.8	37	64.4	22.5	0	11	34.8	7.04	1.6	1.59	14.22
136	■	**Wolohan Lumber** building supply centers	15.4	26.6	49	267.8	11.5	61	20	117.8	1.97	10.2	2.08	7.31
137	■	**Cascade Corp** hydraulic equip	15.2	19.1	21	150.0	11.6	9	24	141.1	1.92	12.2	1.99	10.11
138	■	**US Surgical** surgical stapling devices	15.2	19.3	25	312.4	25.0	69	51	581.1	2.18	23.3	2.35	11.33
139	■	**Tech-Ops Sevcon** controls for electric vehicles	15.1	23.3	27	13.9	1.4	0	6	11.1	0.67	8.2	NA	2.92
140	■	**Greiner Engineering** engineering svcs	15.1	19.6	45	96.5	3.4	12	19	46.5	1.35	13.8	1.27	6.87
141	■	**Kent Electronics** electronics & electronics distrib	14.9	12.7	20	44.7	2.7	5	9	31.3	0.72	11.8	0.77	5.27
142	■	**Applied Power** industrial equip	14.9	28.0	36	210.3	19.6	37	24	298.0	1.51	15.6	1.25	5.52
143	181	**Programming & Systems** vocational schools	14.8	18.5	26	29.6	2.7	0	20	36.2	1.49	13.4	NA	8.05
144	163	**Sizzler Restaurants Intl** steak houses	14.6	17.8	18	315.7	21.9	7	21	348.5	1.30	16.0	1.45	7.34
145	156	**Fabricland**[4] fabric stores	14.5	18.1	12	74.5	3.1	29	15	38.9	1.16	12.5	NA	6.40
146	183	**Guardsman Products** coatings and polishes	14.4	16.4	14	183.4	6.9	24	16	86.4	1.24	12.5	1.33	7.31
147	■	**SunGard Data Systems** computer svcs	14.4	15.0	50	137.1	12.6	13	20	211.8	1.15	17.3	1.25	7.88
148	199	**Myers Industries** tire svc equip, plastic parts	14.2	19.5	23	191.9	8.8	86	18	120.0	1.32	13.7	1.49	6.76
149	■	**Hooper Holmes** health care and health info svcs	14.1	14.7	12	78.5	2.3	22	10	30.3	0.76	13.0	NA	5.03
150	■	**Chili's**[5] restaurants	14.1	23.3	24	284.7	14.0	72	29	276.9	1.35	21.1	NA	6.21
151	■	**Gendex** medical and dental x-ray equip	13.9	18.9	103	24.2	2.1	0	10	29.1	0.72	13.7	0.80	3.55
152	128	**Marietta**[6] sample-sized cosmetics	13.9	15.3	32	36.5	2.5	40	19	74.2	1.12	17.3	1.28	4.31
153	■	**Vivigen** lab analysis of fetal cells	13.9	42.4	148	8.3	1.6	6	23	53.7	0.63	35.7	NA	1.32

Stock prices as of Oct.16. [1]At least 5% is held by Fiduciary Management. [2]At least 5% is held by First Pacific Advisors; Nicholas Co.; Nicholas Fund. [3]At least 5% is held by Wellington Management. [4]At least 5% is held by Dimensional Fund Advisors; FMR Corp. (Fidelity); Nicholas Co. [5]At least 5% is held by McCowan Associates; IDS Financial; Morgan Grenfel Capital Management. [6]At least 5% is held by Wellington Trust Co.

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154	■	**Pansophic Systems Inc**[1] software	13.7%	13.1%	10%	$199.4	$18.5	1%	13	$248.2	$1.00	13.4	$1.19	$7.63
155	197	**Engraph** packaging materials	13.7	18.4	18	192.2	7.6	42	12	155.8	0.61	19.3	0.61	2.89
156	■	**Valcom** retail computer stores	13.5	19.3	65	303.9	5.5	1	11	45.7	1.24	8.7	1.35	6.72
157	■	**Uno Restaurant** pizza restaurants	13.5	20.1	43	40.8	2.7	17	14	87.5	0.46	30.2	0.52	2.11
158	175	**Acxiom** marketing services	13.5	13.8	24	78.0	4.6	40	20	94.3	0.96	21.1	1.18	7.10
159	182	**Quaker Chemical** specialty chemicals	13.5	15.1	15	172.6	12.5	6	22	136.0	1.95	11.0	1.99	13.11
160	■	**Unifirst** uniform rental svcs	13.4	15.9	10	210.4	11.0	95	36	182.1	2.17	16.6	2.27	13.66
161	■	**FFO Financial Group** savings & loan	13.3	22.9	11	48.0	2.5	0	8	18.4	1.06	7.5	NA	4.80
162	■	**Raymond James Financial** securities brokerage	13.0	15.7	19	195.8	9.4	47	17	94.0	1.68	10.2	1.92	10.84
163	■	**Tuscarora Plastics** plastics	13.0	25.9	20	72.8	4.1	82	23	68.5	1.39	16.4	1.55	5.24
164	■	**Puritan-Bennett** health care equip	12.9	18.9	43	215.6	15.9	26	22	246.8	1.42	15.5	1.43	7.48
165	■	**American Fructose Cl A** high fructose corn syrup	12.8	21.0	45	182.3	18.4	37	16	171.5	1.92	8.5	2.25	8.29
166	■	**First Central Financial** insurance	12.8	19.9	84	20.6	3.3	65	7	43.0	0.55	13.0	0.55	2.78
167	■	**Piedmont Federal** savings & loan	12.8	15.0	35	60.4	5.8	40	14	33.4	2.34	5.9	1.60	15.86
168	■	**EA Engineer Sci & Tech** environmental consulting svcs	12.8	9.1	28	30.5	1.1	3	10	24.6	0.44	22.7	0.50	4.81
169	■	**Central Penn Finl**[2] savings & loan	12.7	12.6	17	45.2	4.6	43	16	28.7	2.49	6.4	NA	20.30
170	■	**Paxar** apparel product identification materials	12.6	20.5	12	68.0	3.0	69	11	32.7	0.75	14.0	NA	4.75
171	■	**Harleysville Group** insurance	12.5	15.7	43	235.4	21.8	3	23	167.1	2.99	7.6	3.06	18.83
172	■	**United Investors Mgmt** fund management, insurance	12.5	16.4	34	284.5	47.5	0	18	670.2	1.37	13.0	1.40	7.66
173	■	**CR Gibson** gift & stationery items	12.4	16.5	12	49.9	2.2	49	13	47.1	0.58	21.6	0.69	3.47
174	■	**Structural Dynamics Res** computer-aided engineering	12.3	17.6	31	84.6	7.2	7	26	160.3	1.11	23.4	1.30	6.65
175	■	**Crown Books**[3] bookstores	12.3	16.5	22	189.8	10.4	6	24	119.4	1.99	11.8	NA	12.38
176	■	**Wellington Leisure Prods** leisure & recreation prods	12.2	22.1	40	79.8	4.9	45	15	69.6	1.17	13.1	1.50	4.86
177	■	**Medstat Systems** software for healthcare inds	12.0	22.2	80	8.9	1.1	17	13	34.2	0.41	31.7	40.45	1.88

Stock prices as of Oct.16. NA: Not available. [1]At least 5% is held by Nicholas Co. [2]At least 5% is held by Wellington Management; Quest Advisory Corp. [3]At least 5% is held by Baron Capital; FMR Corp. (Fidelity).

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178	■	**Baldwin & Lyons Cl B** insurance & brokerage	11.9%	14.4%	16%	$119.2	$17.9	0%	22	$109.2	$3.05	7.0	$2.47	$24.36
179	■	**Colonial Life & Acc Cl B** insurance	11.9	13.4	15	256.5	28.1	1	18	271.2	1.88	9.6	1.93	13.92
180	■	**Datron Systems**[1] communications, defense electronics	11.9	14.9	11	40.1	3.8	17	13	34.7	1.23	10.6	1.35	9.45
181	■	**Circle Fine Art** art galleries	11.8	19.4	41	32.5	1.6	67	9	21.9	0.65	14.2	0.68	3.51
182	■	**Varlen**[2] metal, railroad and auto prods	11.8	20.0	37	254.1	11.5	60	24	102.6	2.62	9.2	2.64	13.52
183	■	**Michael Baker** engineering & consulting svcs	11.7	13.5	27	95.5	1.7	39	15	37.9	0.92	15.9	0.96	4.73
184	■	**Intermec** optical char recognition equip	11.6	16.5	15	143.4	9.1	9	30	208.4	1.28	23.4	1.66	7.89
185	■	**Navigators Group** insurance	11.6	16.5	60	49.3	8.7	0	27	92.7	2.50	10.7	2.28	15.22
186	178	**S&K Famous Brands** discount men's apparel stores	11.5	18.1	17	55.5	2.3	77	13	29.5	1.08	11.6	1.22	5.40
187	■	**Met-Pro**[3] filtration and fluid-handling equip	11.4	16.6	13	35.4	3.0	14	23	67.7	1.01	23.0	1.27	6.17
188	■	**Forest Labs** drugs	11.3	12.0	38	110.3	22.2	0	37	641.6	1.22	29.9	1.50	10.52
189	■	**Pioneer Financial Svcs**[4] insurance	11.3	22.3	19	321.8	12.4	0	16	102.7	1.90	8.4	2.05	8.65
190	■	**EMC Insurance Group** insurance	11.3	12.7	28	120.5	11.4	2	8	71.9	1.23	6.2	1.21	9.51
191	■	**General Binding** office equip & supplies	11.2	18.5	40	267.0	17.1	6	28	443.8	1.06	26.2	1.22	5.76
192	■	**Applied Bioscience Intl**[5] toxicological testing svcs	11.2	15.7	51	51.6	4.3	6	29	92.5	1.31	22.1	1.45	8.53
193	■	**Cracker Barrel Old Ctry** restaurants	10.9	21.3	31	170.1	10.9	27	26	237.3	1.27	20.3	1.89	5.57
194	■	**Mentor Graphics**[6] computer-aided engineering	10.9	18.1	40	346.2	40.1	0	18	625.9	1.13	16.2	1.24	6.46
195	■	**JLG Industries**[7] construction machinery	10.7	26.5	104	121.4	7.6	27	17	57.8	2.16	7.6	NA	8.13
196	■	**Gentex** optical and fire protection prods	10.6	17.2	34	19.6	1.4	4	11	77.9	0.22	48.3	0.28	1.08
197	■	**Metcalf & Eddy Cos** pollution control engineering & svcs	10.6	11.4	36	308.4	15.4	6	25	366.1	1.09	23.2	1.11	9.36
198	■	**Bio Medicus** blood-circulating medical prods	10.6	21.5	77	20.5	3.8	0	16	95.0	0.63	24.8	0.68	2.90
199	■	**Anthem Electronics** electronic parts distrib	10.5	14.8	10	281.4	12.0	11	14	160.9	1.06	13.4	1.18	7.16
200	■	**Western Waste Inds** waste management	10.1	12.7	20	143.1	7.0	95	27	142.4	1.32	20.5	1.75	10.41

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Sources: William O'Neil & Co., Institutional Brokers Estimate System (IBES), Forbes.

Lower pay, lots of stock

By and large, the 199 men and one woman (Patricia J. Defibaugh, of Aloette Cosmetics) who run the 200 best small companies in America earn considerably less than the top executives of the country's largest corporations (see "The Power and the Pay," FORBES, *May 29*). But when it comes to net worth, the small companies' executives have little to complain about. Together, they own over $5 billion worth of stock in their respective companies, an average in excess of $26 million each.

A few notes on our methodology: *Salary + bonus* includes all cash and deferred payments plus directors' fees and commissions. *Other* includes payments made under long-term compensation plans, restricted stock awards vested or released from restrictions, company thrift plan contributions and company-provided insurance and cars.

Executive stock holdings were based on shares of beneficial interest, including stock held by an executive's wife or minor children, even if beneficial ownership was disclaimed. Excluded (where possible) was stock in which the executive shared control, shares held by foundations, parents and by family members active in the business and options that were exercisable in the current year.

Chief Executive Company	Age	—Years— with co	 as CEO	Undergraduate graduate college	College degrees	——Compensation (000)—— salary + bonus	 other	 stock gains	 total	—Stock owned— %	 mkt value (000)
Samuel H Maslak **Acuson**	40	8	8	MIT MIT	BS PhD	$312.5	—	—	$312.5	6.45%	$52,452
Charles D Morgan Jr **Acxiom**	46	17	6	U of Arkansas	BS	206.3	$8.8	—	215.1	21.70	20,467
J Brendan Barba **AEP Industries**	48	19	19	Fairleigh Dickinson	BS	240.8	5.9	—	246.7	42.51	27,757
Raymond L Nelson Jr[1] **Allwaste**	51	11	11	McNeese State	BS	172.0	—	—	172.0	5.58	17,811
Patricia J Defibaugh **Aloette Cosmetics**	43	11	11			193.1	—	—	193.1	27.19	9,371
William Ziegler III **American Fructose Cl A**	61	5	5	Harvard Columbia	BA MBA	608.9	98.2	—	707.1	13.62*†[2]	23,350
Martin Lerner **American List**	56	24	24	Brooklyn Poly	BS	450.1	30.0	—	480.1	10.40	4,331
James C Edenfield[3] **American Software Cl A**	54	19	7	Georgia Tech	BS	624.9	7.2	—	632.1	16.60†	47,732
John A Powell **American Travellers**	45	27	1			240.5[4]	17 6	—	258.1[5]	3.93	1,890
Robert S Throop **Anthem Electronics**	52	17	17			458.2	120.1	—	578.3	1.05	1,697
Kenneth H Harper **Applied Bioscience Intl**	58	2	2	U of Manchester U of London	BS PhD	218.8	—	—	218.8	—	
Richard G Sim **Applied Power**	45	4	3	U of Glasgow Cambridge	BS PhD	403.5	17.7	—	421.2	1.75†	5,212
Eugene Applebaum **Arbor Drugs**	52	26	26	Wayne State	BS	450.0	—	—	450.0	36.54	68,651
George F Pickett Jr **Atlantic Southeast Airlines**	48	11	11	U of Texas (Arlington) Georgia State	BS MBA	205.0	0.6	—	205.6	3.10*	6,223
Alvar J Green **Autodesk**	53	5	3	Eastern Michigan	BBA	233.3	—	—	233.3	0.06	551
Shermon N Baker **J Baker**	69	49	19	Harvard	BS	538.0	—	—	538.0	9.84	16,570

Stock prices as of Oct. 16. *Includes family holdings. †Multiple stock classes have been combined. [1]Clayton K Trier is co-CEO. [2]Includes proportional interest through American Maize. [3]Thomas L Newberry is co-CEO. [4]Salary is for office of president, not CEO. [5]Excludes interest in trust established by John A Powell's father.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	 as CEO	Undergraduate graduate college	College degrees	——Compensation (000)—— salary + bonus	 other	 stock gains	 total	—Stock owned— %	 mkt value (000)
Richard L Shaw **Michael Baker**	62	39	5	U of Pittsburgh	BS	$231.6	$5.5	—	$237.1	1.19%	$450
John C Aldin **Baldwin & Lyons Cl B**	57	6	6	De Paul	BS	933.7	—	$565.8	1,499.5	0.24†	267
Wendell M Smith **Baldwin Technology Cl A**	54	5	5	Dartmouth Dartmouth	AB MS	402.7	300.0	—	702.7	12.61†	34,444
Dale R Ballard **Ballard Med Prods**	66	11	11	U of Utah	BS	126.6	—	—	126.6	21.13*	15,994
Richard W Heath **BeautiControl Cosmetics**	47	9	9			453.2	10.3	—	463.5	21.75	18,788
George S Brown **BEI Electronics**	68	15	15	U of Oklahoma	BS	271.7	—	—	271.7	1.75	1,305
Michael T Zak **BHA Group Cl A**	39	9	3			130.9	—	—	130.9	0.12†	151
James F Lyons **Bio Medicus**	59	12	12	U of Minnesota	BBA	217.5	—	—	217.5	2.17	2,058
Dane A Miller **Biomet**	43	12	12	General Motors Inst U of Cincinnati	BS PhD	196.3	—	—	196.3	5.71*	42,286
Francis L Reed **Boston Acoustics**	56	10	10	Boston U	BA	232.1	—	—	232.1	23.74*	9,352
Roe H Hatlen **Buffets**	46	6	6	Pacific Lutheran Oregon U	BA MBA	100.0	—	—	100.0	8.88*	12,285
Joseph B Costello **Cadence Design Systems**	35	5	1	Harvey Mudd Yale	BS MS	323.3	—	—	323.3	0.82	3,764
Thomas A McConomy **Calgon Carbon**	56	34	4	Carnegie-Mellon	BS	423.9	—	—	423.9	12.84†	113,155
Joseph J Barclay **Cascade Corp**	56	22	6	Illinois Inst of Tech	BS	407.5	—	—	407.5	4.07	5,750
John H Browder **Catalina Lighting**	43	1	1	U of Houston	BA	100.0[1]	—	—	100.0	1.10	613
Michael J Collins **CEM**	47	11	11	U of Florida U of Texas	BS PhD	150.0	19.7	—	169.7	14.09	6,874
John M O'Brien **Central Penn Finl**	59	23	23	Temple U	BS	159.6	11.1	—	170.7	3.7	1,053
Norman E Brinker **Chili's Inc**	58	6	6	San Diego State U	BS	238.3	—	—	238.3	5.77	15,983
Gordon A Campbell **Chips & Technologies**	45	5	5			498.3	—	—	498.3	14.29	45,880
Richard T Farmer **Cintas**	54	32	21	Miami U (Ohio)	BA	330.0	19.4	—	349.4	35.21	216,634
Jack Solomon **Circle Fine Art**	61	25	8	U of Nebraska U of Michigan	BA LLM	107.0	—	—	107.0	25.10	5,506
James L Clayton **Clayton Homes**	55	23	23	U of Tennessee U of Tennessee	BS JD	240.0	—	—	240.0	50.59	71,273
Rand W Mueller **Code Alarm**	39	10	3			279.9	—	—	279.9	25.80	8,301

Stock prices as of Oct.16. *Includes family holdings. †Multiple stock classes have been combined. [1]John H Browder became CEO 3/89. Salary is for his previous position in company.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	as CEO	Undergraduate graduate college	College degrees	——Compensation (000)—— salary + bonus	other	stock gains	total	—Stock owned— %	mkt value (000)
John A McNeice Jr **Colonial Group Cl A**	57	33	7	Boston College Northeastern	BA MA	$483.8	—	—	$483.8	25.24%†	$26,366
Gayle O Averyt **Colonial Life & Acc Cl B**	56	31	19	Davidson College Harvard	BS MBA	323.8	$8.7	—	332.5	8.96*†	24,296
Alyn V Essman **CPI**	57	33	16	Washington U (St L)	BS,BA	799.0	19.4	—	818.4	2.96*	13,207
Dan W Evins **Cracker Barrel Old Country Str**	54	20	20			277.9	6.6	—	284.5	2.44	5,794
Bradford R Boss **AT Cross Cl A**	56	31	10	U of Rhode Island	BS	486.3	28.3	—	514.6	18.53†	108,677
Robert M Haft **Crown Books**	37	12	12	U of Pennsylvania Harvard	MS MBA	639.0	30.0	—	669.0	2.82[1]	3,372
Michael H Bernstein **Crown Crafts**	46	17	14	Lehigh NYU	BA JD	684.5	110.0	$271.9	1,066.4	11.85*	8,019
William H Gibbs **DH Technology**	45	3	3	U of Arkansas	BS	227.5	—	—	227.5	3.33	1,729
Jeffrey A Lamm **Dataflex**	46	13	13			384.5	—	743.9	1,128.4	41.46	10,859
David A Derby **Datron Systems**	48	20	7	Cal State (Northridge)	BS	376.0	5.6	—	381.6	1.05	365
Marvin Rounick **Deb Shops**	49	28	10	U of Penn (Wharton)	BS	407.3	—	—	407.3	29.96*	76,470
Donald L Smith Jr **Devcon Intl**	68	38	38	Stanford	AB	458.8	0.5	—	459.3	47.42	44,654
Sigi Ziering **Diagnostic Prods**	61	16	15	Brooklyn College Syracuse	BS MS,PhD	300.0	30.0	—	330.0	21.11*	85,326
Elliot S Jaffe **Dress Barn**	63	27	27	U of Penn (Wharton)	BS	520.0	12.0	—	532.0	35.49*	118,829
John A Couri **Duty Free Intl**	48	7	7	Syracuse	BA	325.0	—	—	325.0	9.15[2]	21,680
Loren D Jensen **EA Engineering Sci & Tech**	52	16	16	U of Utah U of Utah	BS PhD,MS	141.3	7.9	—	149.2	28.03	6,885
Robb B Kelley **EMC Insurance Group**	72	50	26	Dartmouth	BA	354.9	2.5	42.2	399.6	1.25*	901
Thorley D Briggs **Emcon Associates**	58	9	4	Harvard	BA	149.0	6.0	—	155.0	2.80	2,049
Leo Benatar **Engraph**	59	8	8	Georgia Inst of Tech	EE	479.1	75.0	—	554.1	2.61	4,070
Robert E Griffin **Escalade**	54	17	12	U of Notre Dame Northwestern	BS MBA	265.6	—	37.9	303.5	10.95	4,328
Peter J Rose **Expeditors International**	46	8	1			307.9	0.8	—	308.7	4.98	6,911
Tony J Bosboom **Fabricland**	66	21	21			120.0	—	—	120.0	9.34	3,632
William R Fair **Fair Isaac & Co**	66	33	29	Calif Inst of Tech Stanford	BS MS	225.7	—	—	225.7	21.26	7,554

Stock prices as of Oct. 16. *Includes family holdings. †Multiple stock classes have been combined. [1]Most of these shares are owned indirectly through Robert M Haft's interest in the Dart Group, which owns 54.1% of Crown Books. [2]Most of John A Couri's holdings are through his 42.4% ownership of IDF Services, which owns 22.5% of Duty Free International.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	as CEO	Undergraduate college	College degrees	——Compensation (000)—— salary + bonus	other	stock gains	total	—Stock owned— %	mkt value (000)
Robert A Kierlin **Fastenal**	50	22	22	U of Minnesota U of Minnesota	BS MA	$120.0	—	—	$120.0	24.56%	$31,450
Salvatore Giordano Jr **Fedders**	51	29	2	CW Post	BS	408.7	$4.9	—	413.6	1.14†	2,927
James B Davis **FFO Financial Group**	53	18	13	U of Tampa	BS	172.3	2.6	—	174.9	3.58*	658
Martin J Simon **First Central Financial**	69	9	9	Brooklyn College St John's U of NY	BS LLB	110.0	—	—	110.0	16.54	7114
Albert L Ueltschi **FlightSafety Intl**	72	38	38			233.9	21.5	—	255.4	34.95	520,507
Howard Soloman **Forest Labs**	62	12	12	CCNY Yale	BS LLB	317.4	—	$553.1	870.5	3.30	21,196
Charles B Johnson **Franklin Resources**	56	35	35	Yale	BS	431.3	17.4	—	448.7	20.76	210,454
Walter A Rhulen **Frontier Insurance Group**	58	27	27	U of Connecticut	BS	120.0	7.2	—	127.2	17.81*†	13,096
Richard Fink **G&K Services**	59	25	19	U of Minnesota Oxford	BA BPhil	366.5	3.4	—	369.9	8.44*†	14,041
Robert E Gallagher **Arthur J Gallagher & Co**	66	42	26	Cornell	BA	245.0	—	—	245.0	7.84*	20,557
L Douglas Gantos **Gantos**	56	29	27	Michigan State	BS	500.0	26.9	—	526.9	40.30	60,208
John J McDonough **Gendex**	53	6	6	U of Notre Dame	BS	163.3	—	—	163.3	40.72	11.895
Rudolph Grua **General Binding**	61	6	6			404.9	16.9	280.8	702.6	0.36†	1,604
Fred Bauer **Gentex**	46	10	3	Michigan State	BS	60.5	—	—	60.5	12.54*[1]	9,770
Frank A Rosenberry **CR Gibson**	52	5	2	Princeton	BA	169.5	10.0	—	179.5	7.47	3,516
James D Watkins **Golden Valley Microwave Foods**	42	11	11	U of Minnesota	BA	382.8	6.0	—	388.8	16.95	66,393
Frank T Callahan **Greiner Engineering**	61	39	6	U of Notre Dame	BSCE	210.5	2.4	—	212.9	0.41	192
Walter C Barber **Groundwater Technology**	48	1	1	Syracuse Syracuse	BCE MPA	—	—	—	—[2]	—	0
Robert S Bowen **Group 1 Software**	51	5	2	Northwestern Harvard	BS MBA	—	—	—	—	—	0
Keith C Vander Hyde **Guardsman Products**	61	30	11			333.6	112.7	25.4	471.7	0.92	797
Jerome E Rau **Hako Minuteman**	56	8	8	U of Minnesota	BS	228.1	—	—	228.1	8.00	3,006
Richard P Prezio **Harding Associates**	44	7	1	Bentley College (Mass)	BS	230.7	—	—	230.7	0.34	252
J William Robinson **John H Harland**	69	39	20	U of Alabama	BS	433.7	38.8	—	472.5	1.75	15,265

Stock prices as of Oct.16. *Includes family holdings. †Multiple stock classes have been combined. [1]Excludes trust shares. [2]Assumed office 11/1/89, salary data not available.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	as CEO	Undergraduate graduate college	College degrees	——Compensation (000)—— salary + bonus	other	stock gains	total	—Stock owned— %	mkt value (000)
Bradford W Mitchell **Harleysville Group**	62	13	11	U of Maine Boston U	 LLB	$312.9	$58.0	—	$370.9	0.04%	$71
Vernon D Herbst **Hawthorne Financial**	66	38	30			242.6	—	—	242.6	6.10	5,353
Russell A Gerdin **Heartland Express**	48	11	11	Moorhead State	BA	300.0	—	—	300.0	68.18	58,805
Robert H Hilb **Hilb Rogal & Hamilton**	62	7	7	De Paul	BS	285.0	14.8	—	299.8	7.69	6,406
Stanley G Peschel **Hipotronics**	59	27	27	Union College	BSE	180.7	—	—	180.7	14.47	4,468
Gary L Holman **Homestead Holding**	48	20	20	Thompson Inst	BA	92.2	9.7	$1.6	103.5	2.19	259
James M McNamee **Hooper Holmes**	44	21	5	Regis College Fairleigh Dickinson	BS MBA	206.0	—	—	206.0	0.56*	169
Ronald J Naples **Hunt Manufacturing**	43	13	8	West Point Harvard	BS MA, MBA	374.7	5.1	—	379.8	1.52	4,661
Jerome Kalishman **Insituform Mid Amer Cl A**	62	6	3	Washington U Washington U	BS, BA JD	150.0	—	—	150.0	39.96†	19,898
Howard O Woltz Jr **Insteel Industries**	64	36	25	U of Virginia U of Virginia	 LLB	234.4	8.8	—	243.2	9.32	4,482
R Stephen Polley **Intellicall**	38	2	1	U of Texas George Washington	BA MBA	245.0	—	—	245.0	—	0
John W Paxton **Intermec**	52	3	1	Elizabethtown College LaSalle U	BS MBA	318.7	—	—	318.7	0.53	1,006
Sam N Wilson **Intertrans**	54	11	11	North Texas State	BA	170.8	—	—	170.8	5.49	3,726
Daniel D Hammond **Intervoice**	37	6	6	U of Central Florida	BSE	132.9	—	—	132.9	4.33	7,795
Michael P Sullivan **Intl Dairy Queen Cl A**	54	15	2	Marquette U of Minnesota	BS JD	425.6	—	—	425.6	0.23†	989
Ralph R Weiser **Intl Recovery**	64	5	5	NYU Harvard	BA JD	257.1	—	—	257.1	9.35	5,678
John L Grove **JLG Industries**	68	20	20			350.0	10.3	—	360.3	20.64	11,921
Alan H Lipton **Jan Bell Marketing**	38	6	2			500.0	—	—	500.0	9.26	54,616
Lawrence J Cawley **Kaydon**	55	4	2	Cleveland State	BME	174.6	262.3	—	436.9	0.13	379
John F Keane **Keane**	58	24	24	Harvard Harvard	BA MBA	201.7	1.6	—	203.3	59.13†	29,181
Morrie K Abramson **Kent Electronics**	54	16	16	U of Houston	BA	323.6	5.3	—	328.9	11.92*	3,736
Glen F Chatfield **Legent Corp**	46	19	13	Penn State	BS	222.3	22.8	—	245.1	5.25	29,926
Gary D Parker **Lindsay Manufacturing**	44	18	5	Nebraska Wesleyan	BS	250.0	—	—	250.0	—	0

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The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	as CEO	Undergraduate graduate college	College degrees	Compensation (000) salary + bonus	other	stock gains	total	Stock owned— %	mkt value (000)
Samuel B Davis **Liqui-Box**	47	26	7			$611.1	$17.4	—	$628.5	11.33%*	$14,240
Robert J Ready **LSI Lighting Systems**	49	13	13	Babson College	BBS	389.0	30.0	—	419.0	8.60	5,083
John B Lahourcade **Luby's Cafeterias**	64	19	6	U of Texas	BBA	341.9	51.5	—	393.4	1.22	5,532
Anthony W DeSio **Mail Boxes Etc**	59	9	6	U of Santa Clara	BSE	164.4	21.5	$270.7	456.6	26.48	18,704
John S Nadolski **Marietta**	38	14	14	Syracuse	BA	170.0	—	—	170.0	8.46	6,278
Alan I Kirshner **Markel**	54	28	6	Vanderbilt	AB	288.8	43.5	—	332.3	4.95*	5,909
Robert P McGrath **McGrath RentCorp**	55	10	10	U of Notre Dame	BS	274.8	17.9	—	292.7	30.3*	18,254
Jerome F Sheldon **Medicine Shoppe Intl**	54	10	9	Brooklyn College Columbia	BA MBA, JD	354.9	4.5	—	359.4	3.15	5,434
Ernest G Ludy **Medstat Systems**	43	8	8	U of Detroit U of Detroit	BA MA	201.3	—	—	201.3	32.05	10,972
Thomas H Bruggere **Mentor Graphics**	43	8	8	U of Calif (S Barbara) Pepperdine	BS MBA	339.2	—	—	339.2	1.24	7,769
John E Reed **Mestek Inc**	88	1	1			665.4	30.0	—	695.4	37.47	23,866
Walter A Everett **Met-Pro**	67	23	23			253.1	5.3	—	258.4	2.03	1,376
Eckardt C Beck **Metcalf & Eddy Cos**	46	2	2	Emerson College NYU	BA MPA	354.0	—	—	354.0	2.50[1]	1,153
Laidacker M Seaberg **Midwest Grain Products**	43	20	1	Texas Tech	BS	182.4	23.1	—	205.5	7.74	13,605
William N Mayer **Modern Controls**	59	17	2	U of Wisconsin	BS	174.7	—	10.0	184.7	3.27	982
Michael S Starnes **MS Carriers**	44	12	3	U of Mississippi	BBA	299.8	68.7	—	368.5	34.37	38,637
Stephen E Myers **Myers Industries**	45	26	5	Harvard	BA	212.5	7.2	—	219.7	9.19*	11,029
LeGrand C Whitney **National Data**	68	15	11			577.9	321.0	83.0	981.9	1.54*	5,709
O Gene Bicknell **National Pizza**	57	27	27			274.6	—	—	274.6	57.05	133,227
Terence N Deeks **Navigators Group**	50	6	6			—	—	—	—[2]	32.65	30,262
Lloyd E Cotsen **Neutrogena**	60	32	22	Princeton Harvard	BA MBA	1,150.0	30.4	—	1,180.4	38.50	280,564
Robert Shaye **New Line Cinema**	50	22	22	U of Michigan Columbia	BA JD	508.6	3.8	—	512.4	31.95	12,079
Chris H Horgen **Nichols Research**	42	13	13	Iowa State U of Southern Calif	BS MS	193.9	—	—	193.9	15.15	4,032

Stock prices as of Oct.16. *Includes family holdings. [1]Reflects proportional interest in shares of parent company. [2]CEO compensated through management consulting agreement, salary not available.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	 as CEO	Undergraduate graduate college	College degrees	——Compensation (000)—— salary + bonus	 other	 stock gains	 total	—Stock owned— %	 mkt value (000)
Mark W Blackman **NYMagic**	37	12	1	Stanford Stanford	BA JD	—	—	—	—[1]	19.25%[2]	$33,876
Henry D Jacobs Jr **One Price Clothing Stores**	56	5	5	Babson College	BBA	$254.2	—	—	$254.2	32.99*	29,362
Charles F Hyde **Oshkosh B'Gosh Cl A**	69	41	22	Wesleyan U	BA	402.1	$58.2	—	460.3	3.11*†	15,446
David J Eskra **Pansophic Systems Inc**	48	10	5	St Mary's College (Minn)	BA	406.5	24.7	$126.4	557.6	0.92	2,278
Dominic P Toscani Sr **Paris Business Forms**	61	25	17	Bowdoin College U of Pennsylvania	BA LLB	304.0	5.0	—	309.0	34.90	11,486
Arthur Hershaft **Paxar**	52	29	2	Carnegie-Mellon	BS	260.0	4.0	—	264.0	32.18	10,521
Irving Levit **Penn Treaty American**	60	18	18			148.0	—	—	148.0[3]	56.73	24,034
A Pickens Butler **Piedmont Federal**	64	28	13	U of Georgia	BA	106.4	—	13.9	120.3	0.37	125
George R Whittemore **Pioneer Financial**	39	14	7	U of Richmond	BS	122.7	6.0	—	128.7	0.06	19
Peter W Nauert **Pioneer Financial Svcs**	46	21	6	Marquette George Washington	BS JD	611.0	17.8	—	628.8	26.73*	27,462
John F Cogan Jr **Pioneer Group**	63	27	26	Harvard Harvard	BS JD	420.5	—	—	420.5	17.28	24,166
James A Miller **Plains Petroleum**	55	1	1	Baylor	BS	100.4[4]	21.4	—	121.8	0.05	147
George M Klopfer **Polk Audio**	39	17	17	Johns Hopkins	BA	150.7	—	—	150.7	19.93	3,206
David J McDonnell **Preferred Health Care**	47	5	1	St Mary's (Md) U of Pennsylvania	BA DSW	165.0	—	—	165.0	0.08	62
Herbert Kurz **Presidential Life**	69	23	23	Brooklyn College	BA	459.6	—	—	459.6	32.13	125,558
George J Collins **T Rowe Price & Assocs**	49	18	5	Virginia Military Inst American U	BA MBA	592.3	30.0	—	622.3	3.59	13,432
Irwin Mautner **Programming & Systems**	56	30	26	Baruch College	BBA	511.5	144.6	—	656.1	25.76*	9,320
Burton A Dole Jr **Puritan-Bennett**	52	9	9	Stanford Stanford	BS MBA	422.0	2.2	777.0	1,201.2	0.83	2,046
Peter A Benoliel **Quaker Chemical**	58	28	23	Princeton	BA	416.1	7.5	32.2	455.8	14.60*	19,845
Jack Croco **Quality Food Centers**	64	31	31	Yale	BS	325.0	36.3	—	361.3	10.78*	29,955
John C Warner **Quiksilver**	42	3	2	U of Tulsa	BS	391.0	—	—	391.0	0.09	117
Thomas A James **Raymond James Financial**	47	23	20	Harvard Harvard	BA MBA	382.1	30.0	—	412.1	34.07*	32,036
Arthur A Riedel **Riedel Environmental Tech**	58	36	32			—	—	—	—[5]	55.97*	30,455

Stock prices as of Oct.16. *Includes family holdings. †Multiple stock classes have been combined. [1]Compensation from a management consulting pool, amount indeterminate. [2]Indirect ownership through Blackman's 50% ownership of 3 insurance companies. [3]Irving Levit also receives commissions from the Irv Levit Insurance Management operations. [4]Represents salary paid for a period less than 1 year. [5]Salary information not available.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	 as CEO	Undergraduate college	College degrees	——Compensation (000)—— salary + bonus	 other	 stock gains	 total	—Stock owned— %	 mkt value ,000)
Alvin A McCall Jr **Ryan's Family Steak Houses**	62	12	10			$147.3	—	—	$147.3	4.46%	$18,621
Stuart C Siegel **S&K Famous Brands**	46	22	4	East Carolina	BS	486.0	$59.2	—	545.2	42.25	12,463
Henry B Pearsall **Sanford**	55	20	2	Amherst U of Michigan	BA JD	520.0	—	—	520.0	4.94	17,679
Mario Sbarro **Sbarro**	47	31	5			261.3	—	—	261.3	24.18	65,929
Marvin W Ozley **Sealright**	55	23	1	Southwest Mo State	BS	188.9	3.8	—	192.7[1]	1.68*	3,952
Paul B Shore **Shorewood Packaging**	68	23	23			582.5	20.6	—	603.1	14.44*	47,275
Thomas L Gregory **Sizzler Restaurants Intl**	54	15	9	Michigan State	BS	427.6	30.0	—	457.6	1.03	3,575
Fred M Gibbons **Software Publishing**	40	9	9	U of Michigan Harvard	BS MBA	305.0	29.9	—	334.9	6.05	12,506
Lawrence A Lemkuhl **St Jude Medical**	52	4	4	U of Iowa	BBA	330.6	30.0	—	360.6	0.47	4,729
Paul I Stevens **Stevens Graphics Cl A**	74	24	24			272.5	22.9	—	295.4	42.65*†	53,162
Ronald J Friedsam **Structural Dynamics Research**	46	3	3	NYU	BS	351.1	1.8	$208.5	561.4	0.34	546
John W Brown **Stryker**	55	12	12	Auburn	BA	325.0	22.7	—	347.7	4.81	21,296
James L Mann **SunGard Data Systems**	55	7	7	Wichita State	BS	329.2	7.3	—	336.5	0.94	1,988
Louis L Borick **Superior Industries Intl**	65	32	32			725.0	—	—	725.0	29.23	52,641
A Earl Swift **Swift Energy**	56	10	10	U of Oklahoma South Texas Col of Law	BS JD	197.7	55.7	—	253.4	6.43	2,698
Roger E Covey **System Software Assocs**	35	8	8	U of Illinois U of Chicago	BS MBA	150.0	—	—	150.0	35.25	68,850
John E Steuri **Systematics**	50	1	1	U of Kansas	BS	219.7	—	—	219.7	0.01	26
Frank D Hickingbotham **TCBY Enterprises**	53	8	8	U of Ark (Monticello)	BA	325.4	—	—	325.4	38.79	265,312
Thomas M Fulton **Tech-Ops Landauer**	55	12	2	Dartmouth	BA	202.5	—	—	202.5	1.56	2,096
Bernard F Start **Tech-Ops Sevcon**	51	12	2	SE London Tech Coll	BA	170.0	—	—	170.0	3.12	348
Victor A Rocchio **Technalysis**	62	22	22	U of Minnesota	BA	293.7	—	—	293.7	17.91	5,130
Roy K Hock **Technitrol Inc**	60	31	13	Wayne State U	BS	205.0	—	—	205.0	3.82	3,087
Lee A Ault III **Telecredit**	53	22	21	Yale	BA	375.1	4.8	212.0	591.9	0.51	1,991

Stock prices as of Oct.16. *Includes family holdings. †Multiple stock classes have been combined. [1]Pay reflects position of president and chief operating officer, not chief executive officer.

The 200 Best Small Companies' Chief Executives

Chief Executive Company	Age	—Years— with co	as CEO	Undergraduate college	College degrees	Compensation ($00) salary + bonus	other	stock gains	total	Stock owned %	mkt value ($00)
Arvin H Smith **Thermo Instrument Sys**	60	6	3	Texas Christian U	BA	$120.0[1]	—	—	$120.0	0.21%[2]	$562
William R Chaney **Tiffany & Co**	57	10	5	U of Kansas	BS	606.3	$100.0	—	706.3	2.41	18,463
Melvin J Gordon **Tootsie Roll Industries**	69	37	27	Harvard Harvard	BA MBA	516.0	30.0	—	546.0	19.03*	61,925
Richard W Ussery **Total System Services**	42	24	7	Auburn	BA	189.9	—	—	189.9	0.10[3]	417
Jack Tseng **Tseng Labs**	38	6	6	Spring Garden College	BS	87.2	—	—	87.2	50.94*	43,658
John P O'Leary Sr **Tuscarora Plastics**	68	27	27	Washington & Jefferson	BA	302.5	—	$0.8	303.3	7.14	4,891
Aldo A Croatti **Unifirst**	71	49	39			207.8	19.9	—	227.7	53.49	97,427
John Fanning **Uniforce Temp Personnel**	58	35	35			222.2	—	—	222.2	37.71	23,470
Alfred H Wilms **United Gaming**	45	6	5	U of Ghent	PhD	40.0	—	—	40.0[4]	48.13	44,319
Jon W Rotenstreich **United Investors Management**	46	6	3	U of Alabama	BS	406.6	19.8	—	426.4	0.06[5]†	430
Aaron D Spencer **Uno Restaurant**	58	10	10	Boston U	BS	177.9	—	—	177.9	53.88	47,142
Leon C Hirsch **US Surgical**	62	25	25			1,226.0	587.4	—	1,813.4	9.84	47,180
Bill L Fairfield **Valcom**	42	7	7	Bradley Harvard	BS MBA	317.5	—	—	317.5	0.99	454
Richard L Wellek **Varlen**	50	23	6	U of Illinois	BS	464.5	—	—	464.5	0.16*	166
Thomas K Reed Jr **Vivigen**	58	8	8	Ohio Wesleyan	BA	65.1	—	—	65.1	22.09	11,867
Timothy P Horne **Watts Industries**	51	30	11	Trinity College	BA	561.7	—	—	561.7	11.36[6]	50,337
William L Goggins **Wausau Paper Mills**	54	12	2	Marquette	BS	290.0	1.3	—	291.3	0.48	1,057
William R O'Dell **Wellington Leisure Prods**	55	21	19	Clemson	BS	175.4	5.6	—	181.0	0.22	154
Thomas M Duff **Wellman**	42	18	4	Rutgers	BA	410.0	44.1	—	454.1	1.39	14,838
Clarence L Werner **Werner Enterprises**	62	33	33			528.1	—	—	528.1	48.57	114,575
Kosti Shirvanian **Western Waste Inds**	59	25	25			246.9	—	—	246.9	47.37	67,441
James L Wolohan **Wolohan Lumber**	37	12	2	U of Notre Dame U of Michigan	BS MBA, CPA	253.4	141.3	—	394.7	1.45	1,706
Thomas M Owens **XL/Datacomp**	52	10	10	Loyola	BS	399.5	—	—	399.5	18.69	43,442

Stock prices as of Oct.16. *Includes family holdings. †Multiple stock classes have been combined. [1]Salary paid by parent company, Thermo Electron. [2]Shares held through a proportional interest in Thermo Electron. [3]Includes proportional holdings through Columbus Bank & Trust. [4]Director's fee. [5]Includes indirect ownership via Torchmark, the parent company. [6]Includes shares held in family trusts.

Company Directory

This alphabetic listing of the 200 best small companies in America gives their headquarters locations and phone numbers. It also shows relative rankings of the companies by return on equity, sales, profits and market value. Use the five-year average ROE ranking to find a company in the tables beginning on page 220.

				Where they rank				
Company	Exch	Ticker symbol	5-year average ROE	sales	profits	market value	City, state	Telephone
Acuson	n	ACN	83	48	11	8	Mountain View, CA	415-969-9112
Acxiom	o	ACXM	158	117	137	113	Conway, AR	501-329-6836
AEP Industries	o	AEPI	112	91	131	144	Moonachie, NJ	201-935-6500
Allwaste	o	ALWS	2	87	98	45	Houston, TX	713-623-8777
Aloette Cosmetics	o	ALET	88	190	161	179	Malvern, PA	215-644-8200
American Fructose Cl A	a	AFCA	165	60	45	82	Stamford, CT	203-356-9000
American List	a	AMZ	39	200	180	167	Great Neck, NY	516-466-0602
American Software Cl A	o	AMSWA	96	119	62	49	Atlanta, GA	404-261-4381
American Travellers	o	ATVC	66	164	144	158	Warrington, PA	215-343-1000
Anthem Electronics	n	ATM	199	21	77	86	San Jose, CA	408-453-1200
Applied Bioscience Intl	o	APBI	192	148	143	117	East Millstone, NJ	201-873-2550
Applied Power	o	APWRA	142	45	41	48	Milwaukee, WI	414-781-6600
Arbor Drugs	o	ARBR	114	15	95	75	Troy, MI	313-643-9420
Atlantic Southeast Airline	o	ASAI	78	67	34	73	College Park, GA	404-996-4562
Autodesk	o	ACAD	27	75	9	5	Sausalito, CA	415-332-2344
J Baker	o	JBAK	1	14	96	83	Readville, MA	617-364-3000
Michael Baker	a	BKR	183	105	192	172	Beaver, PA	412-495-7711
Baldwin Technology Cl A	a	BLD	24	88	94	53	Stamford, CT	203-838-7470
Baldwin & Lyons Cl B	o	BWINB	178	92	50	108	Indianapolis, IN	317-636-9800
Ballard Med Prods	o	BMED	102	192	152	131	Midvale, UT	801-566-4693
BeautiControl Cosmetics	o	BUTI	20	157	138	122	Carrollton, TX	214-458-0601
BEI Electronics	o	BEII	72	130	118	132	San Francisco, CA	415-956-4477
BHA Group Cl A	o	BHAGA	70	143	148	102	Kansas City, MO	816-356-8400
Bio Medicus	o	BMDS	196	186	149	112	Eden Prairie, MN	612-944-7784
Biomet	o	BMET	103	79	24	10	Warsaw, IN	219-267-6639
Boston Acoustics	o	BOSA	51	182	170	169	Lynnfield, MA	617-592-9000
Buffets	o	BOCB	130	106	130	95	Eden Prairie, MN	612-942-9760
Cadence Design Systems	o	CDNC	92	109	39	22	San Jose, CA	408-943-1234
Calgon Carbon	o	CRBN	32	30	13	6	Pittsburgh, PA	412-787-6700
Cascade Corp	o	CASC	137	71	78	91	Portland, OR	503-227-0024
Catalina Lighting	a	LTG	17	153	185	151	Miami, FL	305-558-4777
CEM	o	CEMX	109	194	181	157	Matthews, NC	704-821-7015

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter.

Company Directory

Company	Exch	Ticker symbol	5-year average ROE	Where they rank: sales	profits	market value	City, state	Telephone
Central Penn Finl	o	CPSA	169	154	136	191	Shamokin, PA	717-644-0861
Chili's Inc	n	EAT	150	20	66	52	Dallas, TX	214-980-9917
Chips & Technologies	o	CHPS	21	39	12	44	San Jose, CA	408-434-0600
Cintas	o	CTAS	115	32	31	16	Cincinnati, OH	513-489-4000
Circle Fine Art	o	CFNE	181	167	195	196	Chicago, IL	312-943-0664
Clayton Homes	n	CMH	105	46	55	92	Knoxville, TN	615-970-7200
Code Alarm	o	CODL	15	175	196	184	Madison Heights, MI	313-583-9620
Colonial Group Cl A	o	COGRA	7	123	92	109	Boston, MA	617-426-3750
Colonial Life & Acc Cl B	o	CACCB	179	26	18	55	Columbia, SC	803-798-7000
CPI	n	CPY	69	2	15	24	St Louis, MO	314-231-1575
Cracker Barrel Old Country Str	o	CBRL	193	64	85	62	Lebanon, TN	615-444-5533
AT Cross Cl A	a	ATXA	50	33	10	18	Lincoln, RI	401-333-1200
Crown Books	o	CRWN	175	57	88	105	Landover, MD	301-731-1200
Crown Crafts	a	CRW	52	103	117	142	Calhoun, GA	404-629-7941
DH Technology	o	DHTK	107	161	134	154	San Diego, CA	619-451-3485
Dataflex	o	DFLX	122	141	190	194	Edison, NJ	201-321-1100
Datron Systems	o	DTSI	180	159	150	178	Simi Valley, CA	805-584-1717
Deb Shops	o	DEBS	61	51	54	59	Philadelphia, PA	215-676-6000
Devcon Intl	o	DEVC	33	118	74	114	Deerfield Beach, FL	305-429-1500
Diagnostic Prods	n	DP	87	146	67	31	Los Angeles, CA	213-776-0180
Dress Barn	o	DBRN	23	31	43	41	Stamford, CT	203-327-4242
Duty Free Intl	o	DFII	47	129	115	63	Ridgefield, CT	203-431-6057
EA Engineering Sci & Tech	o	EACO	168	170	200	195	Hunt Valley, MD	301-771-4950
EMC Insurance Group	o	EMCI	190	90	82	137	Des Moines, IA	515-280-2511
Emcon Associates	o	MCON	110	169	155	136	San Jose, CA	408-275-1444
Engraph	o	ENGH	155	55	106	88	Atlanta, GA	404-329-0332
Escalade	o	ESCA	101	127	142	168	Evansville, IN	812-426-2281
Expeditors Intl	o	EXPD	65	62	103	94	Seattle, WA	206-246-3711
Fabricland	o	FBRC	145	121	162	170	Portland, OR	503-666-4511
Fair Isaac & Co	o	FICI	58	180	175	176	San Rafael, CA	415-472-2211
Fastenal	o	FAST	40	165	153	99	Winona, MN	507-454-5374
Fedders	n	FJQ	63	5	36	58	Peapack, NJ	201-234-2100
FPO Financial Group	o	FFFG	161	151	178	197	St Cloud, FL	407-892-1200
First Central Financial	a	FCC	166	185	157	164	Lynbrook, NY	516-593-7070
FlightSafety Intl	n	FSI	111	43	3	1	Flushing, NY	718-565-4100
Forest Labs	a	FRX	188	96	30	14	New York, NY	212-421-7850
Franklin Resources	n	BEN	5	35	1	3	San Mateo, CA	415-570-3000
Frontier Insurance Group	o	FRTR	64	147	105	135	Monticello, NY	914-794-8000
Arthur J Gallagher & Co	n	AJG	36	66	53	57	Rolling Meadows, IL	312-640-8500
Gantos	o	GTOS	108	47	129	89	Grand Rapids, MI	616-949-7000
Gender	o	XRAY	151	179	186	190	Milwaukee, WI	414-769-2888
General Binding	o	GBND	191	25	52	25	Northbrook, IL	312-272-3700

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter.

Company Directory

Company	Exch	Ticker symbol	5-year average ROE	Where they rank: sales	profits	market value	City, state	Telephone
Gentex	o	GNTX	196	187	198	130	Zeeland, MI	616-772-1800
CR Gibson	a	GIB	173	149	184	160	Norwalk, CT	203-847-4543
Golden Valley Microwave	n	GVF	3	69	56	34	Edina, MN	612-835-6900
Greiner Engineering	a	GII	140	102	156	161	Irving, TX	214-869-1001
Groundwater Technology	o	GWTI	68	99	91	69	Norwood, MA	617-769-7600
Group 1 Software	o	GSOF	18	191	167	171	Greenbelt, MD	301-982-2000
Guardsman Products	n	GPI	146	59	113	123	Grand Rapids, MI	616-957-2600
G&K Services	o	GKSRA	132	98	104	85	Minneapolis, MN	612-546-7440
Hako Minuteman	o	HAKO	37	171	163	174	Addison, IL	312-627-6900
Harding Associates	o	HRDG	131	138	151	134	Novato, CA	415-892-0821
John H Harland	n	JH	59	4	2	7	Atlanta, GA	404-981-9460
Harleysville Group	o	HGIC	171	19	33	84	Harleysville, PA	215-256-5000
Hawthorne Financial	o	HTHR	95	100	65	120	Hawthorne, CA	213-973-6990
Heartland Express	o	HTLD	25	156	127	124	Coralville, IA	319-645-2728
Hilb Rogal & Hamilton	o	HRHC	22	144	133	127	Richmond, VA	804-289-5300
Hipotronics	a	HIP	73	176	165	186	Brewster, NY	914-279-8091
Homestead Holding	o	HMSD	104	181	187	199	Middletown, PA	717-944-1301
Hooper Holmes	a	HH	149	116	183	187	Basking Ridge, NJ	201-766-5000
Hunt Manufacturing	n	HUN	98	52	46	47	Philadelphia, PA	215-732-7700
Insituform Mid Amer Cl A	o	INSMA	30	178	191	155	Chesterfield, MO	314-532-6137
Insteel Industries	a	III	126	49	119	159	Mount Airy, NC	919-786-2141
Intellicall	o	INCL	41	135	159	126	Carrollton, TX	214-416-0022
Intermec	o	INTR	184	77	97	71	Lynwood, WA	206-348-2600
Intertrans	o	ITRN	119	74	139	141	Irving, TX	214-929-8888
Intervoice	o	INTV	129	193	135	78	Richardson, TX	214-669-3988
Intl Dairy Queen Cl A	o	INDQA	9	29	28	28	Minneapolis, MN	612-830-0200
Intl Recovery	a	INT	106	125	176	147	Miami Springs, FL	305-884-2001
JLG Industries	o	JLGI	195	89	107	150	McConnellsburg, PA	717-485-5161
Jan Bell Marketing	a	JBM	11	82	84	17	Fort Lauderdale, FL	305-846-8000
Kaydon	o	KDON	19	76	26	50	Muskegon, MI	616-755-3741
Keane	a	KEA	124	133	160	156	Boston, MA	617-241-9200
Kent Electronics	a	KEC	141	155	172	185	Houston, TX	713-780-7770
Legent Corp	o	LGNT	56	93	35	20	Pittsburgh, PA	412-323-2600
Lindsay Manufacturing	o	LINZ	29	107	114	163	Lindsay, NE	402-428-2131
Liqui-Box	o	LIQB	67	104	102	100	Worthington, OH	614-888-9280
LSI Lighting Systems	o	LYTS	121	139	146	149	Cincinnati, OH	513-793-3200
Luby's Cafeterias	n	LUB	90	22	17	23	San Antonio, TX	512-654-9000
Mail Boxes Etc	o	MAIL	42	183	177	138	San Diego, CA	619-452-1553
Marietta	o	MRTA	152	163	179	133	Cortland, NY	607-753-6746
Markel	o	MAKL	77	115	76	104	Glen Allen, VA	804-747-0136
McGrath RentCorp	o	MGRC	89	162	120	148	San Leandro, CA	415-276-2626
Medicine Shoppe Intl	o	MSII	116	173	111	81	St Louis, MO	314-993-6000

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter.

Company Directory

Company	Exch	Ticker symbol	Where they rank: 5-year average ROE	sales	profits	market value	City, state	Telephone
Medstat Systems	o	MDST	177	198	199	180	Ann Arbor, MI	313-996-1180
Mentor Graphics	o	MENT	194	1	8	15	Beaverton, OR	503-626-7000
Mestek Inc	n	MCC	76	61	101	145	Westfield, MA	413-568-9571
Met-Pro	a	MPR	187	166	166	143	Harleysville, PA	215-723-6751
Metcalf & Eddy Cos	o	METC	197	11	61	38	Branchburg, NJ	201-685-4500
Midwest Grain Products	o	MWGP	134	70	69	80	Atchison, KS	913-367-1480
Modern Controls	o	MOCO	85	197	188	188	Minneapolis, MN	612-560-2900
MS Carriers	o	MSCA	84	113	108	107	Memphis, TN	901-332-2500
Myers Industries	a	MYE	148	56	99	103	Akron, OH	216-253-5592
National Data	o	NDTA	127	27	29	37	Atlanta, GA	404-728-2000
National Pizza	o	PIZA	74	73	86	66	Pittsburg, KS	316-231-3390
Navigators Group	o	NAVG	185	150	100	116	New York, NY	212-809-3710
Neutrogena	o	NGNA	12	53	21	11	Los Angeles, CA	213-642-1150
New Line Cinema	a	NLN	43	126	141	173	New York, NY	212-239-8880
Nichols Research	o	NRES	49	145	168	193	Huntsville, AL	205-883-1140
NYMagic	o	NYMG	117	110	48	79	New York, NY	212-953-0580
One Price Clothing Stores	o	ONPR	8	120	140	119	Duncan, SC	803-439-6666
Oshkosh B'Gosh Cl A	o	GOSHA	34	13	14	21	Oshkosh, WI	414-231-8800
Pansophic Systems	n	PNS	154	50	44	60	Lisle, IL	312-505-6000
Paris Business Forms	o	PBFI	81	152	169	182	Burlington, NJ	609-387-7300
Paxar	a	PXR	170	128	164	183	Pearl River, NY	914-735-9200
Penn Treaty American	o	PTAC	38	184	147	165	Allentown, PA	215-965-2222
Piedmont Federal	o	PFSB	167	137	123	181	Manassas, VA	703-361-2121
Pioneer Financial	o	PION	135	134	27	177	Hopewell, VA	804-748-9733
Pioneer Financial Svcs	o	PFSI	189	7	72	110	Rockford, IL	815-987-5000
Pioneer Group	o	PIOG	31	140	64	93	Boston, MA	617-742-7825
Plains Petroleum	n	PLP	28	160	80	46	Lakewood, CO	303-969-9325
Polk Audio	o	POLK	53	174	194	198	Baltimore, MD	301-358-3600
Preferred Health Care	a	PY	48	189	158	128	Wilton, CT	203-762-0993
Presidential Life	o	PLFE	55	17	5	35	Nyack, NY	914-358-2300
T Rowe Price & Assocs	o	TROW	14	72	16	36	Baltimore, MD	301-547-2000
Programming & Systems	o	PSYS	143	172	171	175	Greenwich, CT	203-629-9401
Puritan-Bennett	o	PBEN	164	40	58	61	Overland Park, KS	913-661-0444
Quaker Chemical	o	QCHM	159	63	71	96	Conshohocken, PA	215-828-4250
Quality Food Centers	o	QFCI	44	16	75	51	Bellevue, WA	206-455-3761
Quiksilver	o	QUIK	6	131	121	98	Costa Mesa, CA	714-645-1395
Raymond James Financial	n	RJF	162	54	93	115	St Petersburg, FL	813-573-3800
Riedel Environmental Tech	a	RIE	125	122	174	152	Portland, OR	503-286-4656
Ryan's Family Steak Houses	o	RYAN	113	36	38	30	Greer, SC	803-879-1000
Sanford	o	SANF	46	86	40	39	Bellwood, IL	312-547-6650
Sbarro	a	SBA	82	85	73	54	Commack, NY	516-864-0200
Sealright	o	SRCO	35	58	68	65	Kansas City, MO	816-926-2000

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter.

Company Directory

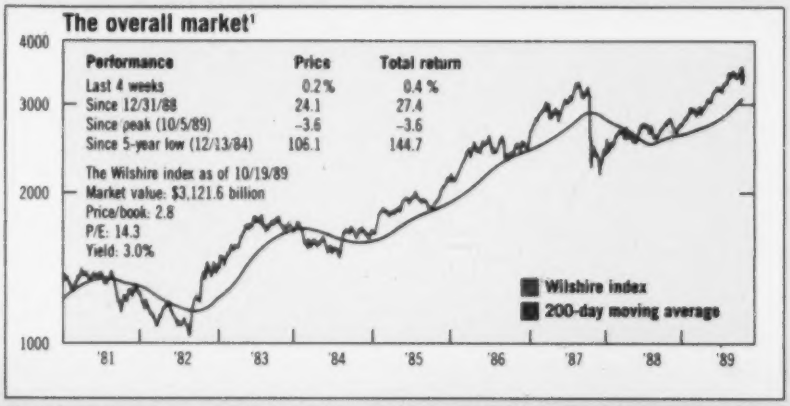
Company	Exch	Ticker symbol	5-year average ROE	Where they rank: sales	profits	market value	City, state	Telephone
Shorewood Packaging	o	SHOR	10	84	59	42	New York, NY	212-371-1500
Sizzler Restaurants Intl	o	SIZZ	144	9	32	40	Los Angeles, CA	213-827-2300
Software Publishing	o	SPCO	91	101	57	72	Mountain View, CA	415-962-8910
St Jude Medical	o	STJM	93	83	7	4	St Paul, MN	612-483-2000
Stevens Graphics Cl A	a	SVGA	128	97	116	101	Fort Worth, TX	817-831-3911
Structural Dynamics Research	o	SDRC	174	112	109	87	Milford, OH	513-576-2400
Stryker	o	STRY	118	42	47	27	Kalamazoo, MI	616-381-3811
SunGard Data Systems	o	SNDT	147	81	70	70	Wayne, PA	215-687-8210
Superior Industries Intl	a	SUP	99	34	60	77	Van Nuys, CA	818-781-4973
Swift Energy	a	SFY	54	195	126	166	Houston, TX	713-874-2700
System Software Assocs	o	SSAX	13	111	89	74	Chicago, IL	312-641-2900
Systematics	o	SYST	71	41	42	32	Little Rock, AR	501-223-5100
S&K Famous Brands	o	SKFB	186	142	182	189	Richmond, VA	804-346-2500
TCBY Enterprises	n	TBY	45	80	19	12	Little Rock, AR	501-688-8229
Technalysis	o	TECN	75	188	189	192	Minneapolis, MN	612-925-5900
Technitrol Inc	a	TNL	97	108	110	129	Wyndmoor, PA	215-233-9500
Tech-Ops Landauer	a	TO	4	177	122	97	Glenwood, IL	312-755-7000
Tech-Ops Sevcon	a	TOC	139	196	197	200	Boston, MA	617-523-2030
Telecredit	o	TCRD	60	65	22	33	Los Angeles, CA	213-410-4600
Thermo Instrument Sys	a	THI	123	95	90	56	Waltham, MA	617-622-1000
Tiffany & Co	n	TIF	94	6	20	9	New York, NY	212-755-8000
Tootsie Roll Industries	n	TR	86	68	49	43	Chicago, IL	312-838-3400
Total System Services	n	TSS	62	136	87	29	Columbus, GA	404-646-2202
Tseng Labs	o	TSNG	16	168	125	125	Newtown, PA	215-968-0502
Tuscarora Plastics	o	TUSC	163	124	145	140	New Brighton, PA	412-843-8200
Unifirst	n	UNF	160	44	83	76	Wilmington, MA	508-658-8888
Uniforce Temp Personnel	o	UNFR	79	94	154	146	New Hyde Park, NY	516-437-3300
United Gaming	o	UGAM	100	132	124	118	Las Vegas, NV	702-435-4200
United Investors Management	o	UTDMK	172	18	4	13	Birmingham, AL	205-325-4200
Uno Restaurant	a	UNO	157	158	173	121	West Roxbury, MA	617-323-9200
US Surgical	n	USS	138	10	23	19	Norwalk, CT	203-866-5050
Valcom	o	VLCM	156	12	128	162	Omaha, NE	402-392-3900
Varlen	o	VRLN	182	28	79	111	Naperville, IL	312-420-0400
Vivigen	o	VIVI	153	199	193	153	Santa Fe, NM	505-473-4728
Watts Industries	o	WATTA	133	37	25	26	North Andover, MA	508-688-1811
Wausau Paper Mills	o	WSAU	80	8	37	68	Wausau, WI	715-845-5266
Wellington Leisure Prods	o	WLPI	176	114	132	139	Madison, GA	404-342-1916
Wellman	n	WLM	26	3	6	2	Shrewsbury, NJ	201-542-7300
Werner Enterprises	o	WERN	57	38	51	64	Omaha, NE	402-895-6640
Western Waste Inds	o	WWIN	200	78	112	90	Carson, CA	213-329-1425
Wolohan Lumber	o	WLHN	136	24	81	106	Saginaw, MI	517-793-4532
XL/Datacomp	o	XLDC	120	23	63	67	Hinsdale, IL	312-323-1200

a: American Stock Exchange. n: New York Stock Exchange. o: Over-the-counter.

The Forbes Wall Street Review

Edited by Eric S. Hardy

The crash that wasn't. For about an hour, the collapse of the UAL bid on Oct. 13 threatened a repeat of the Oct. 19, 1987 panic as the Dow fell 190 points. But the following Monday bargain-hunters prevailed and the Dow recouped almost half its Friday loss. On Oct. 19, the second anniversary of the 1987 crash, the Dow climbed 40 points, and the Wilshire index finished its two-week period with less than a 3% decline—although transports continued to fall (see below). The question now is: Do investors see only buying opportunities in sharp selloffs?



Closeup on the Market

Index or investment	Price	2-week change
Wilshire index 6,000 stocks, capitalization weighted	3,397.03	-2.9%
Wilshire index 6,000 stocks, equal weighted	22.64	-3.0
Dow Jones industrials 30 stocks: divisor-adjusted price average	2,683.20	-3.3
S&P 500 Capitalization weighted cross-section, major stocks	347.13	-2.8
NYSE Capitalization weighted, all listed common stocks	192.17	-3.0
Amex Capitalization weighted total return: stocks, warrants	382.81	-2.9
Nasdaq Capitalization weighted, all issues except warrants	470.80	-2.1
Amex international market index Capitalization weighted, 50 largest ADRs	323.34	-5.2

Index or investment	Price or rate	2-week change
Europe, Australia, New Zealand and Far East[2] (EAFE) a dollar denominated capitalization weighted index	969.00	-1.7%%
Institutional[3] Approximately 200 stocks with high institutional ownership	119.18	-5.0
Individual[3] Approximately 200 stocks with low institutional ownership	110.04	-4.2
Technology Hambrecht & Quist index	267.25	-0.7
Gold[4] (Composite quote of 6 major dealers)	$365.75	-0.6
Yen[4] (per $U.S.)	142.35	-0.3
Commodity index[4] (CRB futures index, 1967 = 100)	226.28	0.6
Oil[4] (W Texas Intermediate)	$20.77	4.1
T Bills[4] (90 days)	7.49%	-6 basis points[5]
Broker loan rate[4]	10.00%	unchanged

The Best Performing Stocks

Company	Price	2-week change	P/E	Reason
Ogden Projects	29⅛	19%	NA	Signs contract for municipal waste management project
Wang Labs	5⅛	18	NA	Plans sale of nonstrategic assets to lighten debt load
Compaq Computer	111⅛	18	15	New notebook-size portable computers get good reception
Amgen	52¾	15	NA	Prudential-Bache raises 1989 earnings estimate
Laidlaw Transport	21⅛	15	25	Reports fiscal 1989 earnings rose 32%, to $1 a share

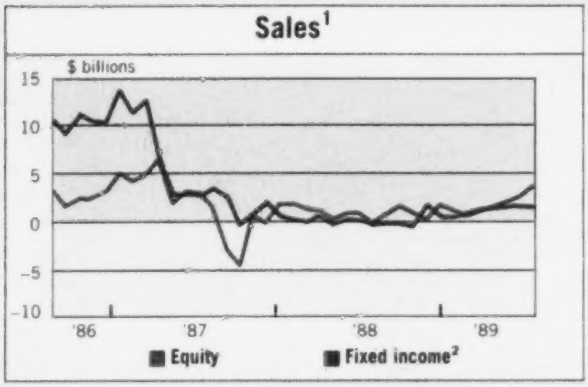
The Worst Performing Stocks

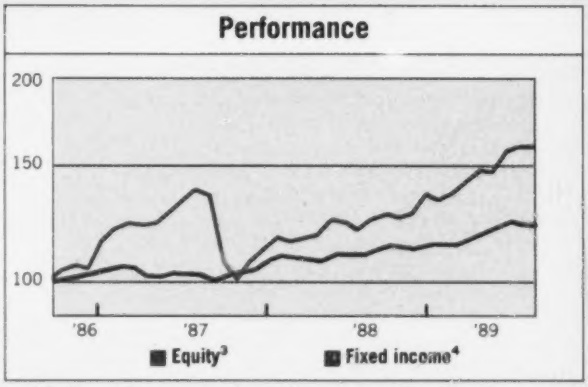
Company	Price	2-week change	P/E	Reason
UAL	190⅛	-32%	7	Inability to get financing causes collapse of $300-per-share, $6.2 billion acquisition by employees
AMR	73⅛	-27	8	Donald Trump withdraws $120-per-share takeover bid
Texas Air	14⅛	-20	NA	Bankruptcy restructuring plan for subsidiary, Eastern Air Lines, meets creditor resistance
Owens-Corning	27⅛	-20	6	Announces 26% earnings decline for third quarter, to 89 cents a share
Ryder System	22½	-19	12	Takes $57 million charge against earnings, resulting in third-quarter loss

Note: All data for periods ending 10/19/89. Wilshire index reflects price performance. It differs slightly from market value of outstanding stocks because of retirements of equity since index was created. Stocks listed above all have market capitalizations of $500 million or more. [1]Capitalization weighted, prepared by Wilshire Associates, Santa Monica, Calif. [2]Morgan Stanley Capital International Perspective. [3]A. Arbel, Cornell University, using Ford Database from Ford Investor Services. [4]Knight-Ridder Financial Information. [5]A basis point is equal to one-hundredth of a percentage point. NA: Not applicable.

Mutual Fund Review

Edited by Tina Russo McCarthy





Most fund surveys list the top performers for the last quarter or the last year. We at FORBES prefer to look at market cycles. Below are performances of the largest funds that have been around long enough to get a FORBES rating—that is, for at least two full market cycles. Also shown are results for rated funds that did the best over the last cycle.

For stock funds, the last cycle is a 25-month period that includes the 30% stock market drop from August to November 1987, and the subsequent 52% surge. Are all these funds sensible buys? Hardly. Four are funds that specialize in one industry sector; their performance is unlikely to be repeated. Only two on the list, Janus and United Income, are true all-weather performers.

For taxable bond funds the last cycle is a 64-month period that includes the up market from May 1984 to August 1986, and the bear market that followed. Several of the biggest government bond funds (such as Dean Witter's and Putnam's) are too new to be rated.

Net sales of both stock and bond funds are in positive territory, but nothing like they were three years ago. Before 1987, net sales of bond funds were running at triple the rate of stock funds. Since then, investors have been putting as much money into stocks as into bonds.

The Largest Funds

Fund	FORBES rating: up	FORBES rating: down	Cycle[6] return	Assets[7] ($mil)
Equity[5]				
Fidelity Magellan Fund	A	B	21.6%	$10,757
Vanguard Windsor Fund	A	A	24.1	7,884
Fidelity Equity-Income Fund	C	A	19.8	4,802
Investment Co of America[1]	B	B	15.5	4,802
Fidelity Puritan Fund	A	B	18.8	4,681
Templeton World Fund	B	B	17.5	4,335
Pioneer II	B	B	10.6	4,156
Washington Mutual Investors	B	A	19.2	3,469
Affiliated Fund	C	B	6.1	3,469
Mutual Series-Mutual Shares	C	A+	30.7	3,414
Taxable Bonds				
Franklin US Govt Sec	D	D	92.4	11,455
Kemper US Govt Sec	C	D	93.2	4,372
Pru-Bache High Yield	C	B	83.9	2,863
Putnam High Yield	B	B	90.0	2,493
Franklin AGE High Inc	C	B	78.4	2,323

The Best Performers

Fund	FORBES rating: up	FORBES rating: down	Cycle[6] return	Assets[7] ($mil)
Equity[5]				
Eagle Growth Shares	C	C	69.0%	$3
Janus Fund	B	A	45.0	494
Oppenheimer Gold & Mins	C	F	43.4	120
Pru-Bache Utility Fund	C	A	40.0	2,124
Natl Aviation & Tech	A	D	39.9	86
One Hundred Fund	B	D	37.8	12
Fidelity Select-Utilities	D	A	35.9	97
Alliance Quasar Assoc	A+	D	35.8	187
Scudder Capital Growth	A	C	34.1	829
United Income Fund	A	A	33.6	1,387
Taxable Bonds				
Vestaur Sec	A	C	141.3	91
Fort Dearborn Income Sec[7]	A+	D	140.7	107
Current Income Shares	A	D	137.2	46
Transamerica Income Shares	A+	B	133.7	122
Lincoln Natl Dir Placement	D	A+	129.3	71

Note: To be rated, equity funds must be in existence since 6/30/83, bond funds, 9/30/81. [1]Monthly net sales of open-end funds. Net sales are purchases by investors, including reinvested dividends, less redemptions. [2]Includes tax-free and foreign bond funds. Source: Investment Co. Institute. [3] Index of total return for the 25 largest stock funds in 1986. [4]Index of total return for the 25 largest taxable bond funds in 1986. [5]Includes balanced funds. [6]Cumulative total return (not annualized), for one market cycle: equity, 8/31/87 to 9/30/89; bonds, 5/31/84 to 9/30/89. [7]As of 6/30/89.